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THE

WOOL AND WOOLLEN TARIFF

OF MARCH 3, 1883.

THE ALLEGED DISCRIMINATION AGAINST THE WOOL-GROWING INTERESTS

IN THE RECENT TARIFF LEGISLATION.

By JOHN L. HAYES,

SECRETARY OF THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

THE TARIFF ON FOREIGN WOOLS:

ITS RELATION TO DOMESTIC PRODUCTION.

By A. M. GARLAND,

PRESIDENT OF THE NATIONAL WOOL-GROWERS' ASSOCIATION.

COMMENTS OF HON. JUSTIN S. MORRILL

UPON THE TARIFF REVISION.

[Republished from the Bulletin of the National Association of Wool Manufacturers.]

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THE

ALLEGED DISCRIMINATION

AGAINST THE WOOL-GROWING INTERESTS IN THE RECENT TARIFF LEGISLATION.

By JOHN L. HAYES,

Secretary of the National Association of Wool Manufacturers.

It is a matter of deep regret to all interested in the harmony of American industries, that there is great dissatisfaction in certain wool-growing districts of the country with the recent change in the duties on wool. Although this dissatisfaction is, as we believe, by no means general, and is substantially confined to the State of Ohio and portions of other States on the Ohio valley, the high position which these States occupy in our national sheep husbandry, the superior intelligence of the agricultural constituencies which they embrace, and the great political influence deservedly exerted by their representatives, preclude us from regarding this dissatisfaction with indifference.

As somebody must be held accountable for every supposed wrong inflicted, the injurious change is first charged to the "infamous report" of the Tariff Commission, recommending a reduction of twenty per cent of the late existing duties on wool — a report which, we will say at the outset, it is no part of the present paper to defend. Again, the change in the wool duties is attributed to the sectionalism of the twelve New England senators, who are charged with having taken care of

their own cottons and woollens, and with sacrificing the productions of the West. The principal influence which controlled this legislation is declared to be the selfishness of the wool manufacturers of the East. Even the organ of the most influential of our industries, the iron and steel, takes up the cry, and inadvertently, as we presume, stepping out of the sphere in which it always speaks with authority, says, "because the manufacturers of woollen fabrics want cheap wool, the duty on wool must be reduced, although our farmers should thereby lose two or three cents on every pound of wool they may sell." This charge of selfish discrimination is really brought home to the National Association of Wool Manufacturers, as that association was the sole representative of the wool manufacturers in the recent tariff legislation. It is a charge which the organ of that association cannot decline to meet. We propose to answer it with the seriousness and fulness of specification which the gravity of the charge demands; but our endeavor will be to perform this duty in all possible candor, without recrimination or counter-charge, and in the spirit of absolute friendliness which, we are happy to say, has for nearly twenty years characterized the intercourse with our agricultural allies, and which we earnestly hope may be renewed.

There is an old Latin maxim, to the effect, that "no honest man becomes suddenly corrupt" (*nemo repente turpissimus*). Now, what has been the policy of this Association for the last twenty years? Have we not kept without wavering the faith pledged at the Syracuse Convention on the 13th of December, 1865? Have we not stood shoulder to shoulder with our wool-growing allies in every assault upon the tariff of 1867, resisting one after the other the free-trade wool provisions of the Morrison, Wood, and Tucker tariff bills? Did we not, against the immediate interests of our worsted manufacturers, raise the first cry against the proposed Reciprocity Treaty admitting Canada wools free? Did we not urge the imposition of the duty on skin wool? Did not our representative first disclose the error in the revision of the United States Statutes, which would have admitted washed wools at the same rate of duty as those unwashed? Did not the National Association

of Wool-Growers, in their printed protest of fifty-eight pages, submitted to Congress in 1878, against the reduction of the wool duties, reproduce, as their main argument, the elaborate defence of the wool duties first published in the "Manufacturers Bulletin"? Look at the twelve volumes, or over five thousand pages of that "Bulletin," and where in any journal in the world will you find such a body of literature bearing upon the interests of sheep husbandry and advocating its protection?* Throughout all our pages can there be found one word conflicting with such as follow, and which we have repeated in different forms again and again?

"American sheep husbandry is not merely an adjunct of the home woollen manufacture; it is its very foundation. Nearly three quarters of the wool consumed in our mills is of home growth. Our fabrics are designed with reference to the peculiar qualities of our own fibre, and derive from them their soundness and durability. Our machinery is adapted for working our own wools, and our best skill, founded upon experience of these characters, is exercised in manipulating them. Although we may import limited supplies of foreign wool, the ample domestic supply regulates the cost of such raw material as we may import. The failure of a domestic supply of wool would be as fatal to our mills as the drying up of the streams of water which move them."

It will be remembered that in the spring of 1882, when the bill providing for the Tariff Commission was under discussion, an amendment was offered by Mr. Hewitt, providing that all the raw material of manufacture should be free of duty. The movement attracted great attention in Congress and the country,—two hundred thousand copies of Mr. Hewitt's speech advocating the measure having been circulated. We are not aware that any steps were taken by the wool-growers of the country to resist a movement intended expressly and mainly for the abolition of the wool duties. But the executive committee of the National Association of Wool Manufacturers instructed

* We have before us the last number of the "Shepherd's National Journal," published in Ohio, which contains four articles occupying exactly nineteen full columns extracted from our pages.

their president, Mr. Frost, and their secretary, Mr. Hayes, to present to Congress a protest against this movement. Accordingly, these officers of the Association, on the 22d of March, 1882, only three months before the appointments were made to the Tariff Commission, submitted to Congress a protest from which the following passage is an extract: —

"We refer to this proposed amendment only in its relation to our own industry, the woollen manufactures, and incidentally to the wool industry supplying the raw material.

"We would first observe that the acquisition of foreign wool free of duty, apparently desirable as it may seem, would be no boon to American wool manufacturers, under all the circumstances of American production; as the exemption of foreign wools from duty would check the production of American wools, for which our machinery is already adapted, which have excellences peculiarly their own, and which by means of domestic exchanges are more cheaply acquired, and with a greater certainty of a supply exactly suited to our wants, than if we were dependent upon foreign wools. Besides, claiming, as we do, protection for ourselves, we cannot expect it to be continued, if refused to a commodity of such universal production in our agriculture, and of such recognized importance that the interests of wool have a controlling power in our economical legislation.

"We would have it distinctly understood that, upon grounds of direct interest to our manufacture, of policy with respect to economical legislation, and a regard to broader national interests, in respect to the influence of sheep husbandry upon the cost of animal food, its inflnence in promoting the settlement of new States, and improving the land of States long settled, we oppose the withdrawal of adequate protection, by means of duties, from the products of American sheep husbandry, though existing rates may be more than adequate."

With such a record as this, continuing up to the very establishment of the Tariff Commission, which we are supposed to have so malignly influenced, is it reasonable to believe that the representative association of wool manufacturers could at once have become so very base — *repente turpissimus* — and so stupid as to insidiously attempt, from short-sighted selfishness, to break down the interests of American wool production which it had so long defended? To our old but now

distrusting allies we would say, You may question, if you please, our *wisdom* in the policy we have recommended, but do not impute to the great body of respectable men who have been your faithful and honorable friends for so many years a sordidness and meanness of motive which would be a disgrace to American civilization; do not charge those who must have some common sense to manage the affairs of their great business, with the arrant folly of supposing that protection could be continued to their manufactures at the sacrifice of the interests of the great vote-controlling agricultural constituencies!

Without dwelling farther upon the motives of our policy, we boldly affirm the wisdom of the late tariff legislation in the general reduction of duties of which wool and woollens necessarily partook; we maintain that the essential features of the protection of wool were preserved; that a moderate reduction was required for the future security of the wool-grower and manufacturer, and particularly the former; that there is no discrimination in the recent tariff legislation against the wool-growers and in favor of the manufacturers, but that, on the contrary, the reduction upon manufactures of wool is greater than upon wool; that the equality of protection conceded by the wool-growers, in joint convention, to be due to the manufacturers, is not now and never has been secured; that the reduction of the duty on wools competing with the great bulk of the wools produced in the United States is immaterial, because the duty is still substantially prohibitory; that the reduction of the duty on wools competing with the peculiar wools of Ohio and the older States is insignificant, and will not admit such an importation of competing wools as to materially affect the prices of Ohio wools; and that the action of the Ohio wool-growers, in attempting to change the schedules of wool and woollens originally reported by the Committees of Finance and Ways and Means, was injudicious and injurious to their own interests, because it prevented the encouragement of branches of manufacture which would have led to an increased consumption of the wools which can be most profitably grown in Ohio and the older States.

I. A GENERAL REDUCTION WAS INDISPENSABLE TO ANY TARIFF LEGISLATION.

Upon the appointment of the Tariff Commission, this association was compelled to fix upon a scheme which was likely to be adopted in legislation, not what it wanted, but the best that was possible to secure in the existing state of popular opinion. A failure to agree upon a policy in the very brief time allowed for a conference between the executive committees of the respective associations of wool growers and manufacturers, — a conference unfortunately delayed too late for mature consultation, which would unquestionably have reconciled all differences, — compelled this Association to make its own separate recommendation as to the schedules of wool and woollens. To the Association the evidences of public opinion were such as to force upon it the conclusion that no legislation would be practicable which did not contemplate a moderate though *substantial*, — that is, — real, not sham reduction of duties. It is now denied that there was any such public opinion. It is enough for us to say that we had a deep and sincere conviction of the existence of such an opinion. We derived this conviction from our own intercourse among business men, from the assurances of our senators and members of Congress, at least those of New England, and from all the journals of the country most devoted to the protective cause. We believe that the correctness of our judgment is justified by what every one must now admit, that without the feature of reduction contained in the Tariff Commission's report, to which our recommendations conduced, it would not have been possible to have effected any tariff legislation at the late session of Congress. Reduction in itself was by no means desirable to us; it was a concession to public sentiment, a bending of the top and branches to the wind of public opinion to save the trunk of the protective system. In a word, the object was *protection through reduction.* We were willing to concede only to save the essentials both of the wool and woollen tariff. Deem-

ing it indispensable that tariff legislation should cease in order that we might have security in business operations, and safety in enlarging them, we wanted *prompt* legislation. We could not afford to wait until the public should be educated up to demanding the best possible tariff. We wanted the tariff to be made by our friends, such as Morrill, Sherman, Aldrich, Kelley, McKinley, Haskell, Errett, and Russell. If we failed to advance the highest and just claims of protection, it was because expediency is an indispensable element in practical legislation, and it is wisdom to be content with the best that is attainable.

Favoring a policy of concession, as we were compelled to do by our convictions of expediency, how could we consistently, in our recommendations to the Commission and Congress, exempt our own products from the application of reduction? The duties on woollen manufactures being founded to a great extent upon the duties on wool, and the apparently excessive character of the duties on the former being due to the necessity of compensating for the duties on the latter, it was indispensable that the reduction on both should be simultaneous and proportionate. In our recommendations our aim was to preserve exactly the relations of wool and woollens existing in the tariff of 1867. The general scale was lowered, but the old proportions were maintained with but trifling exceptions, justified by changes in the conditions of the manufactures. In the schedules proposed by us, both on wool and woollens, we challenge the strictest scrutiny to discover any discrimination against the wool-growers, or any advantages to ourselves which were not guaranteed by the joint conventions of growers and manufacturers.

II. THE WOOL DUTIES STILL ESSENTIALLY PROTECTIVE.

The essential protective features of the wool tariff were advocated in our recommendations, and are secured by the recent legislation; for the duties are still prohibitory of the wools most formidably competing with the great bulk of the wools grown in the United States. It is well known, at least to those familiar

with the circumstances connected with the legislation referred to, that the object sought by the wool-growers in the increase of the wool duties in 1867, was primarily to check the importation of the Mestiza wools of the Argentine Republic; and, secondarily, those of the Cape of Good Hope, both, and especially the former, among the cheapest wools in the world. In the argument or report in favor of an increase of duties, addressed by the Executive Committee of the National Wool-Growers' Association to the United States Revenue Commission, April, 1866, they drew all their illustrations of the evils of competition, from Mestiza wools, expressly calling them "wools most dangerously competing with their own." Although barely naming other wools, they gave a description of these wools only, as follows: —

"Those (the wools) of the Argentine Republic are grown in Buenos Ayres, and are usually known, collectively, in commerce under the name of Mestiza wools. They are classed as Merino and Mestiza, No. 1, 2, and 3. 'Merino' ranks in fineness with our 'Saxony;' Mestiza No. 1 and 2, with the two highest grades of American Merino; Mestiza No. 3, with our grade and common wools. Some of our manufacturers of cassimeres and doeskins, &c., use them exclusively, but more generally American wool is mixed with them sufficiently to compose half the warp, in order to make it spin and encounter the other processes of manufacture without breaking. In plain broadcloth the whole warp is one third, in twilled broadcloth, as forty-five to fifty-five; in doeskins, a little more than one half," &c. They continue, "Fine wools are not, at present, imported in sufficient amount from other countries to render a separate description of them important."

After showing in great detail the comparative cost of producing the "competing" wool in Buenos Ayres and the United States, and referring to the disappointed expectations from the tariffs of 1861 and 1864, the Wool-Growers' Report continues: —

"The utter fallacy of the wool-growers' expectations has already become apparent, unless there shall be a prompt increase of protection. While Mestiza wools, multiplied in their production by our vast demand during the war, can supply our manufactories with all, or nearly

all, the materials for many of our most important fabrics, such as our broadcloths, cassimeres, doeskins, &c., and with a portion of the material for many more; while these weak, inferior wools make fabrics as good in *appearance* as American wools; and while they can undersell American wools in our own markets, at least twenty-five cents in the amount of wool necessary for a pound of cloth, — it must be expected that the latter will find only unremunerative prices and an uncertain and languid market. And this is what is now being witnessed. Taking the period since the last clip together, the gold price prices of American wool have not probably equalled those of the thirty-five years ending with 1861, and much of the clip has not yet gone to market. Regions which formerly swarmed with eager wool buyers have, in many instances, scarcely been visited by one since the close of the war. This has occurred while the cost of labor and subsistence employed in the production remains at double the former rates."

The burden of the complaint of the wool-growers, it will be seen, is against the formidable competition of Mestiza wool. How reasonable was this complaint may be seen by a brief statement of facts, perhaps not familiar to our younger readers, illustrative of the important part which Mestiza wools formerly played in our woollen manufacture, and how it shaped the legislation on wool in former years.

The free-trade tariff of 1846, by greatly diminishing, as it did, the protective duty on fabrics, led the American manufacturers to seek their advantage in cheap raw materials, or those obtainable with the lowest possible duty. The discovery of fancy cassimeres, and of the Crompton fancy loom by which they were made, offered to our manufacturers a fabric in which could be utilized lower wools than were demanded for the fine broadcloths and face goods of a former period. The discovery of the burring machinery and its improvements, which had attained considerable perfection about the period of 1850, suggested to some of the manufacturers of New England, and notably to Edward Harris, of Rhode Island, a means of utilizing for the new and popular fabric of fancy cassimeres, as well as other fabrics, the wools of Buenos Ayres, usually so contaminated by burrs as to be purchasable at extremely low prices. Hence it came to pass that *our important manufacture*

of fancy cassimeres was founded upon Mestiza wool. We can hardly wonder that our manufacturers, unable to obtain adequate protection for their fabrics, should seek such protection as free trade in raw materials might afford them. Through their influence in the tariff of 1857, and with the express object of obtaining Mestiza and Cape wools, wools costing 20 cents or less per lb. were made free of duty, which enabled the Mestiza and Cape wools to come in without duty. By the tariff of 1861, wools, the value whereof at the last port or place from whence exported were less than 18 cents (still covering the above-named wools) were admitted at the merely nominal duty of 5 per cent. By the tariff of 1864, wools of the value at the last port of export, exclusive of charges, of 12 cents or less per pound, were subjected to a duty of 3 cents; exceeding 12 and not exceeding 24 cents, to a duty of 6 cents. This was the law in force until 1867. Many of the Mestiza and Cape wools came in at the 3 cents duty, for it is officially declared in the joint report of the executive committees of the wool growers and manufacturers, that the average duty actually collected on clothing wools under the tariff of 1864 was less than 5 cents, and this duty was but a slight barrier to the importation of the wools in question. By the tariff of 1867, and through the concessions of the manufacturers, the duty on these wools was raised to 10 cents specific and 11 per cent *ad valorem*, that is, the duty was more than doubled at one stroke. Thus within a period of less than six years, the principal raw material of the wool manufacture of the country had been removed from the position of absolute exemption from duty, and as complete availability to the consumer as is now enjoyed by the manufacturers of Belgium and France, to that of being burdened with the very highest duty imposed upon a necessary material for domestic industry, — a revolution without parallel in the history of our manufactures. Its effect was instantly visible in diminished importations. In 1866, with a duty of a little less than 5 cents per pound, we imported 22,693 bales of wool from the Argentine Republic, and 14,067 pounds from the Cape of Good Hope. In 1868, after the duty was raised to 10 cents and 11 per cent *ad*

valorem, the imports were reduced to 4,604 bales from Buenos Ayres, and 1,936 bales from the Cape of Good Hope, a diminished importation of over 30,000 bales. It is unnecessary to follow the importations in detail through the succeeding years; it is sufficient to say that the continued effect of the high duty has been practically and substantially the prohibition of the cheaper wools formerly obtained from Buenos Ayres and the Cape, and the compulsion of manufacturers to substitute them by wools produced in our own territory.

Have our wool-growers ever conceived how tremendous was the concession on the part of the manufacturers in accepting this radical revolution in the conditions of their industry? Do they know how general and deep, for a time, in the great wool manufacturing community, were the denunciations of the executive officers of the Association which had consented to this policy? Do they appreciate the wisdom and prophetic foresight, and absolute faith in protection judiciously applied, of the chief director of the policy of that Association, its first President, Mr. Bigelow, which led him to predict, with full conviction, that in the low and cheap, but constantly improving, wools of Texas, California, and the Territories, stimulated by the high duties, would be a large compensation for the loss of wools of Buenos Ayres and the Cape, excluded by the same duty?

No one needs to be told, now, that it was the tariff of 1867, or the exclusion of the low wools of Buenos Ayres and the Cape, which built up, or rather established (for the first impulse was given by the protective influences of the war), the wool-growing of California, Texas, and the Territories. As we shall show hereafter, the stimulating effect of this tariff in the newer States in itself prevented the effects anticipated from that tariff in the older States.

The point we desire to enforce at present is, that the substitution by our manufacturers of the Territorial wools, — meaning by that term the wools of California and Texas, as well as the Territories, — for the lower wools of Buenos Ayres and the Cape, formerly used, is the direct source of the prosperity of the wool industry of the new States, and indirectly of the sheep husbandry of the older States; that to the stimulus thus

given to the new States we owe the unparalleled increase of our wool production, from 60,000,000 pounds in 1860 to 260,000,000 pounds in 1880; that the chief future supply to our mills is to come from the newer States; and that the wool interests of the newer States is therefore entitled to the first consideration in national legislation.

Assuming that this will be admitted without further argument or illustration, we propose to show that the recent tariff legislation on wool completely secures the present interests of those States, and is calculated to prevent the dangers to which they are liable.

While we are conscious of the advantage we give to that class of economists who declare that all the reductions of the Tariff Commission were mere shams, though at the same time asserting that every cent of duty is so much added to the price of the dutiable article, we hold that the reduction of duty upon the wools competing with the territorial wools is really only theoretical. Theoretically the *ad valorem* duty stricken off amounts to about 3 cents per pound. Practically this will have no effect upon the price of Territorial wools, because the remaining duty of 10 cents specific is still prohibitory, and the duty would be no more effectual at 13 cents. If it were necessary we might cite the opinions of the leading wool dealers in our principal markets in confirmation of this view. With an extensive consultation we have heard no dissenting voice to this position; and the "Texas Wool Grower," the journal of highest authority in the chief centre of Territorial wool production, declares that the tariff argument has been used only to "bear the market, and has been a failure."

It is shown in the testimony before the Tariff Commission, that at 10 cents (without the *ad valorem* duty), the duty and cost of importation upon the wools competing with those of Texas, California, and the Territories, and which, before the tariff of 1867, took their place, will be as follows: —

	per cent.
On Cape unwashed, average	87.7
Monte Video unwashed, average	78.9
Buenos Ayres unwashed, average	96.8

Always remembering that it was these wools, and these only, which interfered with American production, who can doubt that it is as true now as it was in 1871, that in the words of the address of the Syracuse Convention of that year, the "high wool duties enclose this country, as it were, in a grand *corral*, in which our priceless flocks and invaluable races are preserved from depredations no less fatal than those of the beasts of prey from which the nomadic shepherd shelters his flocks?" What if we have lowered the corral, if it still keeps out the wolves?

The advantage of the late tariff legislation is that we have secured a corral sufficient, to all intents and purposes, for the protection of the great bulk of American wool production, probably for many years. If we had aimed to build it higher, we should have risked the downfall of the whole structure. To change the figure, the reduction was made by the friendly pruning-knife, and not, as it might be, by the destructive axe. The late tariff legislation was, in the main, controlled by the friends of the protective system. What it might be under other control may be inferred from the declarations of the political leaders of another school. Neither wool growers nor manufacturers can afford to encounter the perils of legislation, under circumstances less favorable than in the last Congress, attending action upon the most difficult, complicated, and hazardous subject within the whole scope of our revenue system. Let us refer to one peril which would involve wool growers and manufacturers alike. The system of compound duties applied to woollen manufactures, made necessary by the duties on wool, is objected to by those who do not comprehend the effect of the wool duties; by many who regard it as a system for covering up the duties; by the free-traders, because it is protective; and by importers and custom-house officials, because it gives them some trouble in calculating the duties. Any one familiar with legislation must see that a general revision of the tariff, under less favorable circumstances than those prevailing in the last Congress, would throw over the system of compound duties, as was recommended in the Morrison, Wood, and Tucker bills, and apply the system of *ad*

valorem duties to manufactures of wool, as is done to manufactures of silk.

The raw material, wool, would then of necessity be made subject to the same system of *ad valorem* duties, as proposed in all the Democratic revenue bills referred to, — an arrangement which manufacturers subjected to that system of duties would be compelled to advocate.

What would be the effect of that system upon the wool-growing interests, especially of Texas, California, and the Territories? The *ad valorem* duty on wool could not exceed 30 per cent. (Senator Bayard proposed, in a bill, offered by him last winter, 25 per cent.) The duty, then, at 30 per cent on Buenos Ayres (Mestiza) wools, at an average of 13 cents, would be $3\frac{90}{100}$ cents. On Cape wools, at an average of 15 cents (and under the *ad valorem* system, the wools would be brought in at the lowest possible price), would be $4\frac{1}{2}$ cents. We have seen that in 1864, 1865, and 1866, the importations of these wools, under a duty of about 5 cents (prohibited at 10 cents), were so enormous and ruinous in their effects as to compel the passage of the tariff of 1867. Can it be doubted that the rates above stated would again cause such a flood of importations as to ruin the wool-growing of Texas, California, and the Territories, and to deprive the older sheep-producing States of the most profitable part of their resources, viz., the sale of rams to the new States.

Supposed Effect on the older Wool-growing States. — The late tariff legislation on wool is not unfavorable to the interests of the older wool-growing States, or rather it is not materially less favorable than the system of duties which it replaces. While the high duties of 1867 stimulated the wool production of the country, as a whole, and served the single purpose of all national legislation, of inuring to the national benefit, this result was not brought about without unexpected sacrifices in certain sections. It cannot be doubted that the extraordinary development of wool-growing in the newer States has been at the expense of the wool-growing industry — we do not say *sheep husbandry* — of the older States. We have the authority of the Protest of the National Wool-Growers' Asso-

ciation, submitted to Congress in 1878, for the following statement: —

"The reduction of the prices of wool, resulting from the competition which the tariff stimulated, has led to the most marked feature in the sheep husbandry of the last decade, viz., the transferring to a large extent of the fine wool or Merino sheep husbandry from the older States, having expensive lands, to the cheaper lands of the Pacific States and trans-Missouri regions, and in developing mutton sheep husbandry in the older States. The Southern Atlantic States and Gulf, — especially North and South Carolina, Tennessee, and Texas, — have been awakened to the vast resources which their cheap lands and favorable climate afford for sheep-husbandry, and the wool production of the South promises to rival that of the Pacific States, and even that of Australia. All this involves a transfer of capital and animals from the older States of the North, and perhaps of the Pacific States."

The Secretary of the National Wool-Growers' Association, in his testimony before the Tariff Commission, says: —

"At the present time the wool industry is undergoing a grave transition. It has been found that wool can be produced more profitably on the cheaper lands of the South and West, than in the Northern and Eastern States; hence in the latter there has been a diminution in number of sheep and in the quantity of the wool produced."

Other witnesses testified to the same effect before the Tariff Commission. Mr. Shallenberger, M.C., representing Washington County, Pennsylvania, said: —

"In the county which I am here to represent, the production of fine wool is rather on the decrease. Land is too high, averaging, perhaps, $75 per acre. The growing of fine sheep there is not found as profitable as it was a few years ago, and it will become a serious question with the farmers very soon whether they shall not give up raising fine sheep and producing fine wool, and allow other sections of the country, more favorably situated as to cheap lands and climate, — I mean the Southern and Western sections of the country, — to take up the business of wool growing."

Mr. Le Moyne, President of the Washington County Sheep Breeders' Association, says: —

"We have a struggle here, now, to maintain our flocks in competition with the West."

Mr. Archer, to the question: "Would our flocks be diminished if the duty on wool was taken off?" answered: "I might say that they are now being diminished."

Q. "What is the reason for the diminution in the number of sheep?"

A. "There are regions where sheep can be produced at a cheaper rate than here, and farmers have found other branches of agriculture profitable."

The Secretary of the Ohio Wool-Growers' Association, Mr. A. E. Sprague, in his testimony before the Commission, speaking of the wool production of that State, says: —

"There has been a loss to the wool-growers this present year of over five million dollars, at the lowest estimate we can make, taking the value of grains and what it costs to produce a pound of wool. We cannot produce a pound of wool now for less than 62 to 66 cents, and we were compelled to sell their wool this year and last at from 35 to 37 cents."

The remedy he proposed was an additional duty of 5 cents.

Other witnesses from the wool-growers, as Mr. Archer, on the contrary, "felt that an increased duty might stimulate the production more than was actually necessary, and that if an excessive tariff was put, such a stimulus would be given to the growth of sheep in the West that it would make it harder for us (Ohio and Pennsylvania), to compete with them than it is now for us to compete with imported wool."

It cannot be doubted that the low condition of wool-growing in Ohio, the principal complaining State, though, as we think, the depression is over-estimated, is due to the competition in domestic Territorial wools, and not to importations. The total importations of clothing wools, the competing foreign wools, in 1880, was 26,785,171.58 pounds, while Ohio has had to contend against an increased production of wool in the newer States from 1870 to 1880 of 101,000,000 pounds. Ohio, in wool-

growing, is in the same position as New England in the manufacture of coarse cottons. They must both contend against the greater facilities of production in the South, and accept the legitimate result of the protective system which they have established. The very existence of domestic competition shows that no further stimulus can be obtained by higher duties.

As the cotton manufacturers of New England have been constrained by competition to attempt finer fabrics, so the wool-growers of the older States have been forced into higher branches of sheep husbandry. The new fields of sheep husbandry not only furnish a resource for the disposal of whole flocks and of retiring from the business of wool-growing without loss, but the new inducement of continuing in sheep husbandry for the more profitable business of breeding stock animals to improve the flocks in the new States.

Mr. Shallenberger said before the Tariff Commission: —

"Washington County is supplying fine blooded sheep to the Western and Southern sections of our country. The district which I have the honor to represent sells ten stock sheep to be taken out of the county to one it sells in it."

Mr. Markham, after speaking of the superior advantages for wool-growing of the cheap lands of the South and West, says: —

"Agriculturists have been compelled to turn their attention to the breeding of stud flocks from which to supply improved animals in response to the demand from those regions in which pastoral husbandry is so rapidly extending."

Mr. McDowell says:—

"The demand for them (sheep for breeding) in the West has been very extensive, and we have made our profit, not so much from the wool, as from sheep we have sold."

Mr. Le Moyne: —

"I am free to say that the only profit there is in it (keeping sheep), is in the selling of young stock."

It is, however, unnecessary to accumulate testimony upon a point which will be generally admitted. The importance of the business of stock breeding for the newer States is shown by the breeders' associations, and the voluminous sheep registers of Vermont, New York, and Ohio. In several of the older States, such as Vermont, New York, and perhaps Michigan, fine wool growing is altogether secondary to the breeding of stud flocks, and would be abandoned were it not for the profit of this new adjunct. Although a new impulse has been given to the breeding of Merinos in the older States by the recent extraordinary demand for our animals from Australia, which seems to prove that flocks of southern latitudes abroad, and at home, degenerating under climatic influences, will continually require refreshment by blood from our Northern flocks, yet the chief and most profitable demand must come from our own newer States and Territories. They will take the great bulk of the whole increase of the breeding flocks at moderate, though remunerating prices, while the exceptional animals, at exceptional prices, can be sold abroad. It is thus apparent that the profitableness of the wool-growing of the newer States is a matter of more importance to the sheep-producing States than the profitableness even of their own wool-growing. What is lost by the older States on wool, through Territorial competition, is counterbalanced by the sale of animals, and the sheep husbandry of the older States, as a whole, preserves its equilibrium. We have before shown, as we think, that in the war waged by free trade against American sheep husbandry, the fighting ground is our far Western, and especially our far Southern territory. They are our most exposed positions, for the *ad valorem* duty to which they are so imminently liable, would be destructive to their own flocks and those of the North which supply them with regenerators. The barrier of the new wool tariff is high enough to defend our frontier Territories from foreign incursions. Why, then, is it not for the interests of all the States, North, South, and West, to defend it as it is, and not to risk its capture while disputing about building it higher?

Wools Imported only to supply Domestic Deficiencies. — It may be urged that, while we are dwelling upon the effect of the

wool duties in excluding the wools of the Buenos Ayres and the Cape of Good Hope, we ignore the fact that there has been of late years a large importation of wools from Australia, — a class of importations unknown previous to 1867, — and these wools most nearly corresponding in quality with the best Ohio wools will be dangerous competitors to the latter wools under the new tariff. Nothing to our mind could be more utterly without foundation than the apprehensions of the Ohio wool-growers in regard to Australian competition under the new tariff. Let them consider for a moment the absolute contrast in the reasons for, and conditions of, importation, in the period before the tariff of 1867, and at the present period. In the former the importations were nearly all directly competing, — that is, the wools were imported to replace or substitute wools which were or might be grown advantageously here, and which did actually displace really better American wools. At the present time the mills, with the exception of carpet mills, find the great staple of their manufacture in domestic fleeces, and prefer them for ordinary use. There is no wool in the world which takes the place of American fleece for the great bulk of our fabrics. The only wools now imported are for exceptional or peculiar purposes, — wools having qualities not found or not so perfectly found in domestic wools ; carpet wools, none of which are grown or can be profitably grown here ; superfine Electoral wools, for the highest face goods and finest feltings, — a class of wools which we are assured by a witness before the Tariff Commission could not be grown with a duty of a dollar per pound, and of which not 3,000 pounds are produced in the country ; English combing wools, when, as in 1879, there is a fashion for coarse fabrics ; long and fine merino combing wools, produced here as yet in limited quantities, for the soft ladies' fabrics which have recently come in fashion ; exceptionally light and fine clothing wools, like those of Monte Video, to mix with and carry the low and short wools of California ; all of them wools, in fact, whose importation does not replace, but increases, the consumption of American wools. The American manufacturer, to compete with the fabrics of other nations, *must* have the power to

import a portion of his raw material. The fashions for fabrics are all set in Paris or London. The American manufacturer must adapt his wool to the existing foreign styles of goods. It is now admitted that the domestic grower of wool cannot keep pace with the fluctuations of fashion, but must build up his flocks — a work of time — for the production of fleeces which will be profitable for a long series of years. The sudden and exceptional demand for new raw material must be supplied by importations. Only those ignorant of the conditions of sheep husbandry and the necessities of manufacture assert that the United States can and should produce *all* the wools required for domestic consumption. The two indispensable necessities of protection for American wool-growers, and a certain freedom of importation for the manufacturer, have established an equitable rule for fixing the duty on wool, which was thus admirably stated by Mr. Whitman in representing the views of the Manufacturers' Association before the Tariff Commission: —

"What is an equitable duty on wool? It is such a duty as will render the price of foreign wool laid down on our wharves so much greater than the ruling price of like grades of domestic wool, that consumers will not purchase the former except for peculiar and exceptional wants so imperative as to permit the paying of a higher price. This is effectual protection; and when such price is reached, the difference between the cost at last port of export, plus the cost of importation, and such price constitutes an equitable duty."

Mr. Whitman continues: —

"Experience resulting from long-continued observation of prices indicates that 10 cents per pound on all unwashed wools, and 15 cents per pound on washed wools of the first class, and 10 cents per pound on all wools of the second class, would so enhance the price of foreign *competing* wools as to place them above the ruling prices of domestic wools."

We have here the judgment of one of the most experienced purchasers of Australian wools, that with a duty of 10 cents such wools will not be purchased by consumers except for

peculiar and exceptional wants, so imperative as to permit paying the price above that of domestic wools. And if he is correct, the destructive importation of Australian wools apprehended by the Ohio wool-growers would be impossible even at that duty.

But the wool-growers of Ohio, and the producers of wools in the older States similar to those of Ohio, should bear in mind that the Australian wools now and likely to be imported, most nearly corresponding to the best Ohio wools, which are among the highest priced wools in all the markets of the world, instead of being subject to a duty of 10 cents, will have a duty of 12 cents, — the reduction under the new tariff being exactly $1\frac{3}{10}$ cent! Through the recommendations of the Tariff Commission and the unequivocal concessions of the Manufacturers' Association, the new law changed the dividing point between the wools which are to pay a duty of 10 cents per pound, and those which are to pay a duty of 12 cents per pound. Under the late tariff the division was at a value of 32 cents per pound. Under the new, it is at 30 cents per pound, valued at the last port of shipment to this country. The invoices of a large proportion of the Australian wools imported under the old law have come up close to a dividing line of 32 cents. Thus, even without any increase of importations, a large proportion which under the old law paid 10 cents and 11 per cent *ad valorem*, or 13.3 cents, will pay 12 cents under the new law. But any increased demand for importations would of necessity materially advance the prices abroad, and it is believed by all experts in the trade that under such conditions no Port Philip wools, the characteristic wools of the class most directly competing with the best Ohio and Pennsylvania wools, would come in at less than 12 cents duty.

The sum of the discrimination against the wool-growers of the Ohio valley, and by which they declare they have "been betrayed, outraged, and insulted," is a reduction of duty upon the wools competing with their peculiar product, of a fraction over a cent; and upon the wools competing with the great bulk of American wool production, a reduction purely nominal because the duty will be still prohibitory, — changes in either

case which can have no appreciable effect upon prices.* Our wool industry, although among those most highly protected, and having the command of the home market to a degree unequalled by any other — for our foreign competition of clothing wools is only *five per cent of our domestic production* — has suffered less practical reduction than any great industry affected by the late tariff legislation; and in this estimate we do not take into account the important fact that upon the products of all other industries, including woollens, the duties upon all inland charges and commissions have been removed, while wool suffers no such reduction, as charges on wool have never been dutiable. As a careful student for nearly twenty years, of all questions affecting the wool industry, and an earnest advocate for the amplest protection to the interest of American wool-growing, and with unusual opportunities for knowing the effect of the tariff on other industries, the writer of this paper is firmly convinced that no one of our national interests has such reasons for congratulation upon the recent tariff legislation as American sheep husbandry. The wool duty is recognized by economists and politicians as the key to our protective system, because it affects the largest of all American constituencies, the great farming interest, and a product which can be grown to advantage in every State and Territory. The abolition of the wool duty is the first object of the free-trader, because, undermining the agricultural support, it would entail the repeal of the whole range of protective duties. In the late tariff contest wool, though subject to the greatest danger, suffered the least harm. Congress gave it the full measure of protection that was consistent with expediency, and secured safety for the immediate future, and probably for many years to come, by the promptness of its legislation. It saved the wool industry from its enemies, and, what was not less important, from the injudicious zeal of its friends. Let those who complain that they did not get all that they asked

* The present unusually low prices of wool can in no respect be attributed to the tariff, being palpably attributable to the diminution of present demand evinced by the shutting off of machinery to the extent of about 1,000 sets in New England alone.

for bear in mind the observation of the greatest living benefactor of the American wool industry, because the chairman of the Committee of Ways and Means which reported the tariff of 1867, Mr. Morrill: —

"The great error of those who favor a protective tariff is that they sometimes ask too much, and if that is granted, have to meet only too much home competition, but also well grounded opposition because the rates are excessive. . . . The present compound duties on clothing wools are equal to a rate of over 55 per cent *ad valorem;* and the law which goes into effect on July 1 will still leave the rate at over 44 per cent. Very few domestic productions have as much — this being above the average of all dutiable articles — and I do not think any discreet friend of sheep husbandry would make himself conspicuous by asking for more, and thereby run the risk of losing all."

III. DISCRIMINATION AGAINST THE WOOL MANUFACTURE.

We are convinced that the feeling which exists in some sections against the new wool tariff is based not so much upon intrinsic objections to that tariff as upon the idea that manufacturers have obtained undue relative advantages in late tariff legislation. The word *discrimination* in itself expresses the whole ground of offence. Identical as the interests of the grower and the manufacturer must appear to those who are capable of taking broad and generous views of their true relations to each other, the jealousy between the producer and manufacturer of raw material is but natural. It is based upon the conflict of immediate interests between the seller and the buyer; a conflict usually calling in play only selfishness and the meaner motives. Besides, any jealousy which may still exist between wool-growers and manufacturers is but the relic of a real feud which existed for more than fifty years — until the hatchet was happily buried, as was supposed, at the famous Syracuse Convention of 1866. It is but natural that the opening of old questions should open old sores; and the charge ignorantly or maliciously made by free-traders to sow discord in the protective camp, by politicians or excessive protectionists, who desired the tariff question to be kept still open, and by

individuals disappointed with the whole legislation on account of its few admitted imperfections, — that the manufacturers had secured undue advantages, might reasonably revive the jealousies of the old period of discord and mutual distrust. We propose to show that this charge is utterly without foundation. We shall show that in fact the discrimination in the late tariff legislation is relatively against the wool manufacturers as compared with the wool-growers; and we feel justified for the tediousness of the details and figures which we shall inflict upon our readers not only by necessity for our own vindication, but obligation devolving upon us so far as the wool manufacture is concerned, to defend the Senators and members of Congress from New England, who voted for the recent tariff, from the charge that they were influenced by the desire to discriminate in favor of their own sectional interests against those of the West.

We give below some illustrations of the relative reductions of the duties on wool and manufactures of wool, and exhibiting the discrimination against the wool manufacturers under the tariff of March 3, 1883.

BRUSSELS CARPETS.

For the purpose of illustrating the reduction as fairly as possible, a running yard, ¾ wide, of English Brussels, of a quality competing with the best quality of American Brussels is selected: —

	Old rate, cents.	New rate, cents.
Valued abroad, net cash .	80	80
Specific duty	33	22.50
Ad valorem duty . . .	29.40	24
Charges	4	4
Old cost	146.40	New cost, 130.50

146.40 — 130.50 = 15.90 cents reduction of cost.

	Old duty per running yard. Cents.	New duty. Cents.	Reduction.
Specific	33	22.5	$31\frac{8}{10}$ per cent.
Ad valorem on cost and charges . .	29.40		
Total . .	62.40 =	24 on cost only =	$18\frac{4}{10}$ per cent.
Less . .	46.50	46.50	
Reduction .	15.90		Total reduction $25\frac{1}{2}$ per cent.

The reduction of the duty on the wool entering into a yard of this carpet is shown as follows. There is a saving of half a cent per pound on the unwashed wool entering into these carpets, on which the shrinkage is 50 per cent. There are two pounds of clean wool in a running yard of these carpets. Therefore, the reduction of the duty on the wool entering into a yard of carpet is 2 cents per running yard. Deduct this saving from 15.90, and there is shown to be a discrimination against the manufacturer of 13.90 cents.

The total production of Brussels carpets in the United States is estimated at 8,500,000 yards. This reduction, upon the theory that the whole of the duty is added to the price, will make a saving to consumers of $1,351,460.

INGRAIN CARPETS.

For comparison, best ingrain two-ply carpet, one yard wide, costing 60 cents, competing with best American ingrain, is selected: —

	Old duty, cents.	New duty, cents.
Valued abroad, net cash . . .	60	60
Specific duty	12	8
Ad valorem duty	22.05	18
Charges	3	3
Cost under old duty	97.05	89

97.05 — 89 = 8.05 reduction of cost of imported carpet.

The duty saved by the reduction of the duty on the wool is $\frac{1}{2}$ cent per pound on $2\frac{1}{2}$ pounds of unwashed wool entering into the carpet. Therefore, the reduction of the duty on the wool is $1\frac{1}{4}$ cents on a yard. This deducted from 8.05 will make the discrimination against the manufacturer 6.80 cents.

Reduction of specific duty on a yard of this carpet is	$33\frac{1}{3}$ per cent.
Reduction of *ad valorem* duty	$18\frac{3}{10}$ "
Reduction of total duty	$23\frac{6}{10}$ "

Similar illustrations might be given from Wilton and other carpets, but the above constitutes the principal carpets manufactured.

CLOTHS.

Old duties.

50 cents specific per pound and 35 per cent *ad valorem.*

New duties.

Under 80 cents, 35 cents specific and 35 per cent *ad valorem.*
Over 80 cents, 35 cents specific and 40 per cent *ad valorem.*

WORSTED COATINGS, ETC.

Old duties.	New duties.
Under 40 cts., 20 cts., 35 %	Under 30 cts., 10 cts., and 35 % *ad val.*
40 to 60 cts., 30 cts., 35 %	30 to 40 cts., 12 cts., " 35 % "
60 to 80 cts., 40 cts., 35 %	40 to 60 cts., 18 cts., " 35 % "
80 and above 50 cts., 35 %	60 to 80 cts., 24 cts., " 35 % "
	80 and above 35 cts., " 40 % "

Worsted Coating.

	Reduction on wool. Cents.		Reduction on yard. Cents.
12 oz., costing 80 cts. per pound.	3.13		12
12 " " 100 " "	3.28		7.50
12 " " 120 " "	2.60*	30 and 32 cts.	6.75
16 " " 80 " "	4.17		16
16 " " 100 " "	4.37		10
16 " " 120 " "	3.46*		9

Worsted Coating, Wool Back.

	Reduction on wool. Cents.	Reduction on yard. Cents.
24 oz., costing 80 cts. per pound.	5.67	22.50
24 " " 100 " "	6.17	15
24 " " 120 " "	5.09*	13.50
Cheviot.		
16 " " 60 " "	4.09	15
16 " " 80 " "	4.17	15
16 " " 100 " "	4.37	10
Flannel Coating.		
12 " " 80 " "	4.31	11.25
12 " " 100 " "	5.62	7.50
12 " " 120 " "	2.44*	6.75
Broadcloth.		
16 " " 100 " "	6.52	10
16 " " 125 " "	7.33	8.75
Beaver.		
24 " " 60 " "	5.50	22.50
24 " " 80 " "	5.75	22.50
24 " " 100 " "	9.46	15
24 " " 120 " "	10.67	13.50
Ladies' Cloaking.		
24 " " 50 " "	5.50	22.50
24 " " 70 " "	5.75	22.50
24 " " 80 " "	5.75	22.50
24 " " 100 " "	8.67	15

[NOTE. — The small reduction on the cost of wool to the manufacturer on goods marked * is owing to the foreign cost of wool composing them being between 30 and 32 cents, on which the reduction of the duty on the wool is trifling.]

All the foregoing goods are regular lines, and are not selected to make the table show more or less favorably.

No account is made of the reduction of duty on charges, which is a very material item on goods. On wool, charges

were not dutiable under the old tariff; consequently the wool-growers have suffered no reduction in that respect.

In computing the reduction of cost of wool to the manufacturer, it is assumed that the cost of the wool will be reduced to the full extent of the amount of the reduction of the duty on the wool, whereas, as has been shown, there will be no appreciable reduction in the price of wool in consequence of the new tariff.*

BLANKETS.

In no part of the new tariff on woollens has the reduction been so great as upon blankets costing under 80 cents per pound; the reduction in some cases amounting to *one half of the old duty.* It is not easy to make a comparison in the case of the lower-cost blankets, as has been done with cloths, for the reason that none of the lower-priced blankets have been imported under the old tariff. By the following letter it will appear that in the class of blankets most favored by the tariff of March 3d, and in which the reduction of duty is least, there is a discrimination against the manufacturer. This letter is from one of the largest manufacturers of blankets in the United States: —

BOSTON, April 7, 1883.

Dear Sir, — In the spring of 1882 I imported from England a pair of all-wool bed blankets of good quality, weighing five pounds in their finished state, and made from a wool corresponding in quality very closely with a No. 1 Ohio fleece wool.

The cost of the blankets on the other side was		$4.45
The duty paid was — specific, 50 cts. on 5 lbs. =	$2.50	
ad valorem, 35 % on $5,	1.75	4.25

Under the new tariff the duty would be —

Ad valorem, 40 per cent on $5	2.00	3.75
Specific on 5 pounds	1.75	
Amount of reduction	50 cents.	

* The above calculations were made by a manufacturer.

The wool in the above-described blankets, in its merchantable condition described as washed wool, would shrink in scouring thirty per cent, and would cost at port of export as washed wool (not scoured) 28 cents per pound.

The quantity of same which entered into the manufacture of these blankets was $7\frac{15}{100}$ pounds, and the cost of the same, at 28 cents per pound, was $2.00.

[NOTE. — The wool imported unwashed in condition to shrink 50 per cent would cost 20 cents per pound, and would require 10 pounds to the blanket, which would give the same result.]

Under the old tariff the duty imposed was 10 cents and 11 per cent *ad valorem.* Under the new tariff 10 cents only. The reduction under the new tariff, therefore, on the wool entering into these blankets, was 11 per cent on $2.00, amounting to *twenty-two* cents, while the reduction on the manufactured article is 50 cents.

Yours truly,

FRANCIS CABOT,

Treasurer Norway Plains Company.

KNIT GOODS.

All-wool shirts and drawers, weighing 14 lbs. per doz., —

Cost per doz. abroad	$12.00
Reduction in duty per doz. on goods	1.50
Reduction in duty on wool in doz. goods	$.92\frac{4}{10}$

Valued above 80 cts. per pound.

Merino shirts and drawers, weighing 12 lbs. per doz., one-half wool and one-half cotton, —

Cost per doz. abroad	$8.50
Reduction in duty per doz. on goods	1.92
Reduction in duty on wool in doz. goods	$.39\frac{6}{10}$

Valued above 60 cts. and below 80 cts. per pound.

Merino light shirts and drawers, weighing 7 lbs. per doz., $1\frac{1}{2}$ lbs. of wool and $5\frac{1}{2}$ lbs. of cotton, —

Cost per doz. abroad	$4.50
Reduction in duty per doz. on goods	.84
Reduction in duty on wool in doz. goods	$.09\frac{9}{10}$

Valued above 40 cts. and below 60 cts. per pound.*

* These calculations, like those above given, were made by experts in their several departments.

It is unnecessary to multiply examples, as those above given are fairly illustrative of the operation of the new duties upon the principal classes of manufactures composed of wool, the illustrations given covering 84 per cent of the value of our woollen manufactures in 1880. It will be seen that upon all the above enumerated goods there is a positive discrimination against the manufacturer except in the case of a few high-cost goods. In even these cases there is practically no exception, as for reasons previously given there will be no reduction in the prices of wool in consequence of the new tariff.

It is proper that we should refer in this connection to the only exception to the general reduction on manufactures which affords any pretext for the allegation of the "Ohio Farmer," "that the woollen manufacturers not only suffered no corresponding reduction, but on the other hand secured a substantial increase of duties on many kinds of woollen goods." These are the provisions for Axminster carpets, and all-wool dress-goods.

In the late tariff the duty on Axminster carpets was placed at 50 per cent *ad valorem*, without any specific duty, for the very sufficient reason that at the time of the enactment of that tariff there were no carpets of this class made in the country, and there were no data for determining the amount of specific duty required to reimburse the duty on the wool entering into these carpets, while there was no necessity for protecting a manufacture which did not exist. Machinery having since been invented here for the fabrication of this class of carpets, and our capacity for their manufacture here, under proper protection, having been tested, the tests furnishing at the same time data for determining the equitable specific duty required, a duty was provided in the new tariff for the new industry, barely sufficient, as in other cases of carpets, to cover the duty on the wool and give a protection of 30 per cent *ad valorem.*

The case of all-wool dress-goods, where there is an alleged increase of duty of one cent per square yard, is precisely similar. This industry had no existence in 1867, and no provision was made for this class of goods in the tariff of that year. Our capacity to prosecute this branch of manufacture having

been recently demonstrated, the Tariff Commission recommended a specific duty of 12 cents (instead of 15 cents asked by the manufacturer) per square yard, hardly sufficient to cover the duties paid out on the wool. The Committee of Ways and Means concurred in this recommendation. The concurrence of the Senate, however, was prevented by the unhappy agitation originating in Ohio, and the specific duty of 9 cents was given, — only one cent above the old duty of 8 cents, intended in the late tariff for goods with a cotton warp, and wholly inadequate to cover the duty on the wool in all-wool dress-goods. Thus, this alleged increase is but another illustration of the discrimination in the new tariff against the manufacturers. If this slight increase is still insisted upon as an example of the advantages gained by the manufacturers it is counterbalanced by the excessive reduction in another class of dress-goods — buntings — upon which the specific duty is reduced from twenty cents to *ten* cents!

IV. THE GUARANTEES OF THE JOINT SYRACUSE CONVENTION.

The equality of protection to the wool manufacturer with the wool-grower, guaranteed by the Joint Convention at Syracuse, is not now, and never has been, enjoyed by the former. The fundamental resolution, adopted by the wool growers and manufacturers in the Joint Convention at Syracuse in 1865 was as follows: —

"*Resolved*, That as the two branches of agricultural and manufacturing industry represented by the woollen interest involve largely the labor of the country, whose productiveness is the basis of national prosperity, sound policy requires such legislative action as shall place them on *equal footing and give them equal encouragement and protection* in competing with the accumulated capital and low wages of other countries."

This resolution can mean nothing else than that the manufacturer is entitled to the same measure of protection, that is, to the same rate per cent of protective duty, as the wool-grower. It is not with the object of complaining ourselves, but of showing how illy it becomes the wool-growers to com-

plain, that we point to the higher measure of protection, secured by them in actual legislation.

We do not dwell upon the point that the cost of labor entering into manufactures is comparatively much greater than that of the labor entering into the production of wool, a consideration always kept in view by economists in determining the proportion of protection to be given to different commodities, — because we are estopped by the resolution above quoted from denying that *equal* protection is due to the raw and manufacfactured commodity. We will only mention, without dwelling upon it, the fact that the duty on wool being specific, there is no opportuuity for fraud or undervaluation in respect to it, while, on the contrary, the protective duty on manufactures of wool being *ad valorem*, the amount actually collected is practically subject to great diminution through undervaluation and fraud. Neither do we dwell upon the important fact that the specific duty, under the new tariff, upon the great bulk of manufacturers does not actually reimburse, according to the agreement of the Joint Report of 1866, the duty paid out by the manufacturer upon the raw material. We will simply point out the difference in the protective duties which the legislation, upon its face, purports to give to the two branches of the woollen interest.

The protection given the wool-grower against the most formidable competing wool exceeds 70 per cent. The average duty on clothing wool, under the new tariff, is correctly stated by Mr. Morrill as above 44 per cent. The highest protective duty given to manufacturers, with the exception of small wares and ladies cloakings, is upon high cost cloths, worsteds, &c., and is 40 per cent. Upon the great bulk of manufactures, carpets excepted, the protective duty is 35 per cent. Clearly upon this showing alone the wool-growers have an advantage not warranted by the resolution of the Syracuse convention.

The Ohio wool-growers complain of the hardship suffered by a special branch of the wool industry, the fine wool-growing of their own State. Let us consider the case of a special branch of the woollen manufacture, considerably exceeding in value and importance the wool-growing of the State referred to.

The carpet manufacture of this country had a production in 1880 of $31,792,802. There are substantially no carpet wools produced in this country. The manufacturer is therefore obliged to import all his wools and pay the duty. The specific duty on carpets under the new tariff is barely, and in some cases not quite, sufficient to reimburse the duty on the raw material, and the carpet manufacturer literally and exactly has no other protection than the *ad valorem* duty. The Tariff Commission recommended for carpets an *ad valorem* duty of 35 per cent, the same given to woollen manufactures generally. The Ways and Means Committee of the House, and the Finance Committee of the Senate, originally concurred in this recommendation. It stood so reported until the consideration of the schedules of wool and woollens was half completed in the Senate, when, through the influence of representatives of Ohio wool-growers upon the Senator from Ohio, a member of the Finance Committee, the schedules of wool and woollens were referred back to the Finance Committee, and when again reported, the *ad valorem* duty on carpets was lowered to *thirty per cent*, at which rate it stood on the final passage of the new tariff.

Here is a branch of manufacture calling into play technical skill and perfection of machinery beyond any other in the whole range of the textile industry; whose best mills are so complicated and expensive as to require two or three years for their construction and equipment; whose fabrics must be changed every season to meet the demands of fashion; and whose execution requires the most profound knowledge of the principles of decorative art, and of the mysteries of dyeing; a branch of manufacture whose inventions are adopted by the very mills in Europe with which it competes, and whose products are admitted to be the best illustrations of American achievements in the textile arts, — an industry, in short, entitled upon every consideration for which protection is ordinarily claimed, to the very highest measure of national encouragement; yet this industry is given a protective duty over which the great bulk of the wool-growing industry has an advantage of 133⅓ per cent, the average clothing wool industry, an advantage of 47 per cent; the principal branches of the cotton and flax in-

dustries, an advantage of 33⅓ per cent; and the silk and "small wares" industries, an advantage of 66⅓ per cent. We by no means assert that the carpet manufacturers are satisfied with this discrimination; but this dissatisfaction did not lead them, nor the Senators from New England and the East, to which this manufacture is confined, to throw impediments in the way of the general legislation, whose benefits in relieving a redundant treasury and protecting the *great range* of American industries outweighed its admitted imperfections.

The manufacturers might reasonably urge that a recognition of the principle of the resolution forming the basis of the relations of the two interests to each other required that the manufacturers should not be subjected to the same proportion of reduction as the wool-growers. Under the old tariff, clothing wools had a protection of over 55 per cent, and the manufactures composed of them a protection of but 35 per cent. The principle of the resolution, in fact, required that the manufacturers' *ad valorem* duty should be increased, and that the reduction affecting them should be on the specific duty, and only to the same extent as the wool duty was reduced. The legislation of the new tariff, however, contemplated a reduction on manufactures equal to that on wool, viz., about 21 per cent on the average. This general reduction on manufactures was made by lowering the specific compensating duty more than the duty on wool was lowered; that is, where the specific duty should equitably have been reduced only from 50 cents, the old rate, to 40 cents, it was reduced from 50 cents to 35 cents. This application of an equal and horizontal reduction to wool and woollens was unfair, for the reason that the value of the wool of which goods are made being about one half of the whole value of the goods, for every 20 cents taken from the duty on wool 40 cents is taken from the duty on goods; and the more costly the goods and the less the value of the wool in them, compared with the whole value, the more unequal is the reduction.

We do not refer to this unfairness in view of the resolution in question, because we would seek to have it remedied at the risk of disturbing the new tariff. We know that a perfect ad-

justment is a mere Utopian dream, and that no practical legislation ever did or can come up to its theory. The discussion of discriminations and relative advantages is a vain and unprofitable one for a vast national industry having one common interest. The question is not what one or the other branch relatively may gain by the late tariff revision, but what the whole industry — what the nation — gains by a measure which affects all the interests of American production. If, by the late tariff legislation, the country has committed itself again squarely to the policy of protection, which has given it "the eminence of being the greatest manufacturing country in the world;" if business is to resume its natural course through exemption from tariff agitation; if, through the general prosperity of the industries, the capacity of consumption of our own special commodities is sustained, — let us congratulate ourselves upon these great results, rather than regret the losses which are inseparable from every victory.*

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* Candor compels us to admit that in this and the preceding chapter the discriminations recited against the manufacturer are, to a considerable degree, in certain branches of manufacture, counterbalanced by the fact that the reduction is less upon high-cost goods, that is, those costing over 80 cents per pound, than upon lower goods, upon the equitable principle announced by the Tariff Commission of making "the reduction apply to commodities of necessary general consumption, and of diminishing the reduction upon commodities of high cost, requiring more labor, and which, being consumed principally by the more wealthy classes, could bear higher duties without being oppressive in their operation."

It is proper that we should also admit that the manufacturers are likely to derive an advantage which it is certain they never contemplated, from the removal of the *ad valorem* duty on wool, viz.: a greater liberty to purchase wools in a washed and scoured condition. It is known that under the old tariff it was provided that the duty on certain wools imported washed should be twice the *amount* of the duty on unwashed, and on wool imported scoured three times the *amount* of the duty on unwashed. We have the highest authority for asserting that both wool growers and manufacturers intended that this doubling and trebling of the duty should apply only to the specific duty. In consequence of a Treasury ruling, however, it was held that the doubling and trebling applied to the *ad valorem* as well as the specific duties on wool. This was a virtual prohibition of washed and scoured wools, which the framers of the old law never contemplated. As there is but one duty, the specific, to be doubled or trebled under the new law, the distinction against washed and scoured wools is less than it was under the Treasury construction of the old law contrary to the intentions of its framers.

V. INJURY TO WOOL-GROWERS THROUGH REDUCTIONS ON MANUFACTURES IN THE NEW TARIFF.

It is unquestionable that provisions intended primarily for the benefit of the wool-growers have often been unexpectedly beneficial to the manufacturers. The high duties on wool in the tariff of 1867, at first reluctantly conceded by the manufacturers, proved ultimately of great advantage to them. As is the invariable effect of judicious protection, they were followed by an increased production of wool, with its consequence, a marked reduction of price through domestic competition. The compulsory substitution of clean, strong, and elastic domestic wools for the burry and weak wools of the La Plata, had a marked influence in the improvement of American fabrics, and the increase of the market value. Says an eminent manufacturer in a published statement: —

"In 1865–66 we had a large amount of goods made of Mestiza and other foreign wools, and were continually having claims made upon us for imperfect goods. We abandoned the idea of making any more goods of Mestiza, and from that hour have never had a claim made upon us for feeble goods."

A notorious case might be cited of a mill formerly of great celebrity, the days of whose prosperity were numbered through the persistent use of burry and weak foreign wools, and the consequent unsalability of the fabrics made from them, or reclamations for the imperfect goods sold.

As the manufacturer is benefited through the wool-grower, so is the latter equally served through the former. The high duties which exclude foreign goods shut out the wool of which they are made, and which, provided the goods are made of such wools as may be grown here, just as effectually displaces an equal amount of domestic wool as if it were imported in a raw condition. Trite and obvious as the maxim is, it cannot be too often repeated that the *manufacturers' prosperity makes the wool-growers' market.*

An interesting illustration of this truth is found in the effect of the worsted clause in the tariff of 1867. This clause, it will be remembered, gave to worsted manufacturers a specific duty

ranging from 50 cents per pound down to 30 cents per pound, according to the cost of the goods, in addition to an *ad valorem* duty of 35 per cent. The most important effect of these liberal provisions, aided by the enterprise of an eminent manufacturer,* now dead, and the intelligence of a former president of the Ohio Wool-Growers' Association,† was the planting in this country of a branch of the textile industry utterly unknown before 1867, — that of spinning and combing merino wools and weaving them into cloths, known as worsted coatings, — now one of the largest branches of our yarn and cloth manufacture. The value of combed yarns, mostly of merino, made in the city of Philadelphia alone, in 1880, was at least ten million dollars. The result to the wool-growers, especially of the older States and Middle States, is believed to have been an increase in the market value of this wool of at least 25 per cent, through the adaptation of them to combing purposes, besides the encouragement of a most profitable branch of sheep husbandry, the crossing of merinos upon long-woolled sheep for the production of half-bred combing wools and mutton.

Under the late tariff, the provision for all worsted goods valued at above 60 cents per pound, and not exceeding 80 cents per pound, was 40 cents per pound. The Tariff Commission reduced the 40 cents in this provision to 24 cents, notwithstanding the objection of the President of that body. The manufacturers, regarding this reduction as excessive and injurious, asked the Committee of Ways and Means to raise the specific duty to 32 cents. That Committee reported the duty at 28 cents.

The Finance Committee of the Senate, without having given any special consideration to this provision, adopted in its printed bill the Tariff Commission rate of 24 cents. Upon the representation by the manufacturers of the injurious effects of this low rate, the assurance was given by the Committee, or at least its chairman and leading members, that the matter should be reconsidered. A forcible letter was addressed to that Committee by the Secretary of the National Wool-Growers' Associa-

* E. R. Mudge, of Boston, Mass.

† R. M. Montgomery, of Youngstown, Ohio.

tion, representing the injurious effects of this great reduction upon the combing wool industry of Ohio and the older States, and there was every reason to believe that at least the rate of the House bill would be finally reported to the Senate and adopted by that body.

The agitation stirred up by the wool-growers from Ohio had the effect of arresting the reconsideration of this rate, and its assured increase ; and the low specific duty of 24 cents, at which this class of worsted stands in the new tariff, is attributable, in our opinion, to their action. We do not charge upon them any purpose of retaliation upon the manufacturer or any definite object of reducing these duties either on worsteds, carpets, or dress-goods. We speak of these reductions only as being the necessary results of an agitation to which we give no harsher epithet than that of being unwise and unnecessary.

The result of this unfortunate movement to the carpet manufacture we have already shown. This will have no effect upon wool-growers, as they do not grow or desire to grow carpet-wools. To the dress-goods manufacture the result was a failure to pass the clause adopted in the House bill, which would have introduced the manufacture of all-wool merino dress-goods, and would have created a demand for the finest merino combing wools, a production adapted peculiarly to the sheep husbandry of Ohio and Pennsylvania. The most disastrous result, however, is found in the effect of the reduction in the worsted provision above referred to, without doubt the most dangerous breach in the tariff defences of wool and woollens. The rate of duty being determined by the value of the goods, the reduction bears more heavily upon worsted yarns than upon the worsted fabrics of which the yarns are made. For instance, a pound of worsted coating is worth, say, twice as much as a pound of worsted yarn. A pound of worsted coating valued at above 80 cents per pound will have a duty of 35 per cent per pound and 40 per cent *ad valorem.* The yarn of which it is made, being of less value, will fall into the class valued at above 60 cents per pound and not exceeding 80 cents per pound, upon which the duty is 24 cents per pound and 35 per cent *ad valorem.* The nominal reduction upon this most

important class of worsted yarns is 16 cents per pound or 24 per cent.

But the general reduction in the value of goods abroad since the tariff of 1867 was passed brings the yarns from the class paying the highest duty into the class below of a less value paying a lower duty. So that the actual reduction of duty on this class of worsted yarns under the new tariff is 33 per cent, with only a nominal reduction of the wool duty, or a theoretical reduction of but 20 per cent! This reduction on worsteds is most injurious to the great spinning establishments of Philadelphia, which have supplied our worsted cloth makers with yarns made of American wool. The inevitable result will be — for trade knows neither sentiment nor patriotism — that our worsted cloth makers will import foreign yarns, unless our spinners can force down the prices of American wools so that they can compete with the foreign spinner. No reduction of the duty on wool promises to affect the wool-growers of the older States so injuriously as this, which recoils upon them from the blow aimed, though unreflectingly, as we believe, at the manufacturer; for the most hopeful prospects for the wool-grower of the older States have been in the expansion of our worsted manufacture, and in the encouragement it gives for a branch of sheep husbandry in which Ohio and Pennsylvania can suffer no competition from the new States and Territories.*

We have failed in our purpose if we have not convinced our old allies in Ohio, at least that what they have lost in the new tariff has not been through the manufacturers' gain. Is it not better and more just that both interests should attribute what

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* Mr. George W. Bond, who always speaks with authority in relation to wool and wool production, in a letter replying to some inquiries from Judge Lawrence, of Ohio, while expressing the opinion that fine wool generally must suffer in the older States from Texan and trans-Missouri competition, says, "There is, however, I think, a great field open for the older wool-producing States; namely, growing combing wool by producing a race which shall at the same time yield a medium fine combing wool and make a good mutton sheep for home supply and exportation. This cannot be done in our trans-Missouri country, but is only possible where sheep can be kept in small flocks, and have the care and regular feeding which such sheep require."

either has lost, not to the undue predominance of section or interest, but to the unavoidable imperfectness of all legislation, and the peculiar haste and lack of opportunity for consultation, and the repressing influence of a powerful minority, in the legislation in question? We appreciate too highly the benefits of the tariff of 1867 to forget that we owe the consummation of that great measure mainly to the statesmen of Ohio, Sherman, Wade, Bingham, Delano, Lawrence, Garfield, Stansbury, and her not less estimable private citizens, Montgomery and Stevens.* In justifying the new schedules of wool

* Mr. Sherman, chairman of the Senate Finance Committee, on the last day but one of the second session of the 39th Congress, carried the Bingham Bill, now known as the Tariff of 1867, through his committee and finally through the Senate, a service only second to that of his casting vote which carried the tariff of March 3, 1883, through the same body. He was ably supported by Mr. Wade. Judge Lawrence, General Garfield, Mr. Bingham, and Mr. Delano, members of the House, were conspicuous in their efforts to carry the measure through that body. The two latter, when apprised by the writer of this note, scarcely half an hour before the adjournment of Congress, that President Johnson was indisposed to sign the bill, which had passed both Houses, literally ran to the room where the President was waiting with his Cabinet, called out Mr. Stansbury, then Attorney-General, and through his intervention induced the President to sign the bill at the very last moment left before the time for adjournment. Mr. R. M. Montgomery, President of the Wool-Growers' Association, was present in Washington during the whole winter of 1866, and rendered invaluable services. Mr. J. C. Stevens, of Kenton, subsequently President of the Ohio Association of Wool-Growers, was conspicuous for his able defence of the measure.

The spirit which characterized the relations of the two interests, at that time, is shown by an extract from a printed copy of a report submitted in August, 1866, by the writer of the above paper, to the Executive Committee of the Association of which he was then, as at present, Secretary. A general tariff bill, including the sections on wool and woollens, had passed the House in the session of 1866, but was postponed in the Senate until the winter session.

The report from which we quote says: —

"After the postponement of the general tariff bill in the Senate, a demonstration was made in the House, which threatened no little injury to our interests. Mr. Bingham, of Ohio, possessing great influence from his parliamentary experience and ability, by leave introduced a bill 'to provide for revenue from duties on wool, and for other purposes.' This bill was an exact copy of the sections, relating to wool and manufactures of wool, of the bill which had passed the House, with the exceptions that the duties on wool were placed at 10 cents and 11 per cent, instead of 10 cents and 10 per cent; and that the manufacturers' rates were in many respects reduced, the specific duty on cloths, &c., being reduced from 50 cents to 40 cents; the scale of minimums lowered; and the

and woollens, notwithstanding their admitted imperfections, we are indorsing the essential features of their work, — a specific and still bountiful protection to wool, and a compensatory and generally an adequate protective duty to manufactures, — features which will be more fully appreciated when we see impending the almost certain alternative of another radical revision, — a pure *ad valorem* tariff. To avoid this alternative, we appeal to dissatisfied wool-growers, and dissatisfied manufacturers alike, to let the new tariff stand without agitation, at least until after the close of the next Congress. We have the assurance of one who speaks with the highest authority to Ohio, and is always listened to with respect at the East, Mr. Sherman, that agitation of the wool tariff will lead to "endless amendments" and the defeat of protective measures by the controlling party in the House. Tariff agitation will increase the present severe depression in manufactures, so unfavorable to markets for wool; while repose for a year or two will enable business to adjust itself to the new tariff, or will give time for testing it with view to a wise revision. If future Congresses are not discouraged by the ingratitude to the last Congress, which so faithfully and promptly accomplished all that was possible with a powerful minority, and the cause of protection is not weakened by dissensions in its own ranks, we may hope,

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duties on certain carpets ruinously reduced. Having learned the provisions of the proposed bill, I was so fortunate as to obtain, through Mr. Dawes, an interview with Mr. Bingham. Upon my explanation to him of the disastrous effect of the bill proposed upon our industry, and indirectly upon the wool-growing industry by diminishing the market for its products, Mr. Bingham made the honorable concession of pledging himself to introduce amendments in the House, restoring the manufacturers' duties, in conformity with the general tariff bill which passed the House. It was understood, thereupon, that our friends in the House should withdraw all opposition to Mr. Bingham's bill. The bill came up in the House on the last day but one of the session, and was passed by an overwhelming vote; the representatives from New England, and, I need not say, the special representative of our Association, being no less active in behalf of the measure than the representatives of the West. Thus the pledges made between the East and the West, between the wool manufacturers and wool-growers, were a second time most honorably redeemed by their representatives."

It was the bill above referred to which was passed at the close of next session, and is known as the Tariff of 1867.

at no distant day, for a friendly majority which will correct the imperfections of the late legislation without utterly overthrowing it. In no way can wool-growers and wool manufacturers conduce so effectually to this result as by resuming the former conditions of friendly deliberation and mutual concession which made the united wool interest so signal an example of the harmony of industries.

THE TARIFF ON FOREIGN WOOLS:

ITS RELATION TO DOMESTIC PRODUCTION.

BY A. M. GARLAND, SPRINGFIELD, ILL.

President of the National Wool-Growers' Association.

THE wool tariff has been so often, so intelligently, and so thoroughly discussed, that I question my ability to impart to its consideration at this time any interest that could not more properly be credited to the importance of the theme than to the manner in which it will be treated.

TAXATION A NECESSITY.

One of the first functions of government that is impressed upon the mind of the citizen is the right and necessity for taxation; and in this instance, at least, the early impression becomes the most lasting, as it is never afforded opportunity for escaping the memory.

EQUITY IN TAXING FOREIGN AS WELL AS HOME PRODUCTIONS.

When, to meet the necessities of government, the citizen is taxed, it is just that the men of other countries, when seeking profit from dealings with our people, should also pay an equitable tax at the threshold to our markets. This proposition seems so sound that no practical man can dispute it, and theorists who argue to the contrary can claim little consideration for their views on the score of numbers of those who seek to defend them.

While it is a fact that upon this proposition practical men are agreed, it is likewise true that right here begins a difference in opinion, among these same men, as to the amount at which this tax against the foreigner should be fixed to be equitable. That is to say, What duty will prove to be for the best interests of the whole country? From this opens up the whole field of discussion and argument for high and low tariffs upon the entire range of articles known to our commerce.

Upon this field I do not propose to enter, only so far as may be necessary for a consideration of the topic assigned to me, —

THE TARIFF ON FOREIGN WOOLS.

Wool occupies a peculiar place in the agricultural economy. It is the only prime necessity to the life and comfort of our people, strictly the product of agriculture, that they have not been able adequately to supply from their own resources. It is especially exposed to competition from other countries, by reason of its value in proportion to bulk, and consequent expense of transportation. It can be economically held for any desired time without deterioration in those qualities which make it valuable for the purposes of manufacture.

From the fact of such exceptional position of their product, wool-growers have been forced to look with great interest to the enactments of Congress, fixing the charges under which foreign wools were to come in competition with wools of domestic production in the markets of the United States. The history of this legislation, though peculiar in many respects, presents no feature so prominent as that of its vacillation. The domestic producer — though always certain of taxation upon his own property and productions — was never allowed to rest in the assurance that his foreign competitor would be taxed with equal certainty and severity. And he has not been so taxed, as a glance at the history of tariff legislation will show.

CHANGING POLICY REGARDING WOOL-DUTIES.

From 1824 to 1834 the policy of the government may be characterized as protective. From 1834 to 1842 the tendency was in the opposite direction. It was then again protective to 1847, when the tariff of 1846 went into operation. Then anti-protective up to 1861. From that time to the present the policy has been protective, increasing by several enactments during the war, and becoming highly so on the passage of the wool tariff of 1867, which has remained, with slight modifications, until the present time. The duties imposed by that act are to be reduced somewhat July 1, 1883, when the law passed during the late session of Congress is to take effect.

THE WOOL TARIFF OF 1867.

The uprising of wool-growers culminating in the passage of the wool and woollen tariff of 1867 marked a new era in the series of struggles which has accompanied the rise and fall of duties on foreign

wools. The stimulus imparted to wool production by the demands of the war period had rapidly multiplied flocks, and the necessity for increased expenditures by the government had so enormously increased the tax burden, that more than ever before the producers of domestic wools appreciated the inadequacy of tariff defences against foreign competition. Resorting to co-operation, which in their case had before been impracticable by reason of the absence of facilities for rapid and cheap communication, the wool-growers in a number of States, in 1863, 1864, and 1865, organized for effective work in the direction of securing such legislation as seemed adapted to the unprecedented condition of their industry.

Under the tariff as fixed in 1864, admitting wools valued at 12 cents or less per pound at a duty of 3 cents per pound, such an avalanche was thrown upon the markets of the country as to threaten with annihilation the production of domestic wools. To meet this emergency — made possible by evasions of the spirit of the law, while keeping within its letter — an entirely new system of classification was devised, and first given existence in the tariff of 1867. The classification of wools for duty according to the countries of their production, as well as the uses to which they are commonly applied; and securing proper application of the principle by having at each port of entry standard samples to which reference can be made in cases of doubt or controversy; and requiring all wools not specially provided for to pay the highest duty, are the characteristic features of that law, which has given more general satisfaction than any of its predecessors, not alone because of the higher duties it imposed, but for the reason that its safeguards against evasion made it more effective in securing the collection of such duties.

DID NOT ADVANCE PRICES.

The peculiar circumstances attending the passage of this law are within the memory of most of us, — some of us having been active workers in its behalf through the busy and anxious months preceding its adoption by Congress. The long delay made necessary by repeated meetings of representative wool-growers, and conferences with leading wool manufacturers, who had to be consulted for an understanding of the effect of the proposed schedule on their business, to which was added the inevitable detention in Congressional committees and debates, — in all extending through two sessions, and requiring ceaseless labor during sixteen months succeeding the appointment of working committees, — permitted business arrangements by importers of

foreign wools by which they filled their warehouses with stocks greatly in advance of the requirements of manufacturing purchasers. Thus, although the duty had been increased 300 per cent, and served the purpose for which it was intended, — that is, to practically shut out certain low-priced wools, — its benefits were not immediately noticeable in an enhanced price for the domestic clip.

HOW ITS EFFECTS WERE MANIFESTED.

But, with a few exceptions, our wool-growers were not discouraged. A knowledge that they were once more to have a fair chance in their own markets, that the burden of taxes they were compelled to bear was to be equalized, as between themselves and foreign competitors, gave them heart; and a comparison of the sheep census of 1867, and the amount of wool then produced, with the showing of to-day, will give the result of what has been achieved during the intervening years more forcibly than any language of mine.

The tariff of 1867, as its framers intended it should do, in great measure shut out competition from the mestiza wools of the Argentine Republic. The 36,916,794 pounds of such wools imported in 1866, fell to 26,752,197 pounds for the entire three years immediately following the passage of the tariff. As most of these wools had been imported under invoices showing a cost of 12 cents per pound and below, the new duty amounted to over 90 per cent *ad valorem*, and as a matter of course they soon disappeared from our markets, leaving the demand, more than ever before, to be supplied by the American producer.

The increase and improvement shown to have resulted from the operations of the law of 1867 have not come to us unexpectedly; they have come to us as the logical and legitimate result of the enforcement of that law, foreseen and foretold by its friends and abettors when seeking its passage, and so often reiterated when demanding its retention on the statute books.

NECESSITY FOR PROTECTION TO DOMESTIC PRODUCERS.

Looking over the history of wool production during the last sixteen years, we find ample excuse for the restlessness of wool-growers in view of the reduction of wool duties determined upon by the late Congress. Wool-growing has scarcely been profitable in many localities, and any legislation that will effect a diminution in profits may properly be characterized as ill-timed and unjust.

The argument of those who have labored for an adequate duty on foreign wools has been, that such a duty was necessary to defend wool producers in the United States against competition from countries exempted from expenses necessary in this country. On lands where ceaseless summer reigns, where the necessities of life are few, and luxuries are unknown to the average of the people, wool can be grown cheaper than in this country. To let into our markets the wools thus grown, to compete with the wools grown by our people, who are heavily taxed by national, state, and county authorities, and with tastes and education impelling them to the purchase and enjoyment of many luxuries, would be an injustice without adequate excuse in logic or philanthropy.

WHAT THE DUTY SHOULD BE.

In my opinion a wool tariff should be placed high enough to tax the foreign producer as much at the port of entry as the producer within the United States is taxed by the laws and commendable customs of this country, with a further reasonable margin to protect the domestic producer against disastrous competition whenever glutted markets or suspended demand in other countries forces wool on the markets of the world at prices below the cost of production in this country. I would shield as far as possible the domestic grower from losses that might come from designed or accidental conditions of wool production in every country but his own.

WHEN COMPETITION BECOMES DISASTROUS.

Experience has demonstrated that the proportion of any article produced abroad which most seriously interferes with the market for a similar product of this country, is the surplus above what is demanded by the regular market in which such foreign product commonly finds an outlet. The shrewd business man often believes it to his interest to force — and the man with accumulating obligations is compelled to force — his surplus products on the market, and take for them what they will bring. It is this surplus, bought at prices dictated by the buyer, without reference to the cost of production, that most annoys the business man in every department of production or manufacture; and when the cheaply grown wools of South America, Australia, and Africa are depressed in price by a surplus in European markets, they create the competition against which a tariff should defend the wool producer in the United States. When the duty is high enough for this, all that national legislation can accomplish has been done for the

protection of domestic wool-growers. When the rampart is high enough to keep out the enemy, its purpose is as fully achieved as if it had been built mountain high.

THE WOOL TARIFF OF 1883.

The wool-grower, however, is a practical man, and wants to know if the wool tariff of 1883 is likely to prove such a defence as to prevent interference with the prices of domestic wools by increased importations from other countries.

Before proceeding to a consideration of this proposition, I will ask you to indulge me while I mention a few facts which seem to have escaped the attention of certain critics of myself, both as a member of the late Tariff Commission and as the head of the National Wool-Growers' Association. The impression has gone out, and has been given somewhat industrious circulation, that, as a member of the Tariff Commission, I favored and voted for a reduction of the tariff on wools. The precise reverse of this is the truth, as could have been ascertained by inquiry of my associates on that Commission, or examination of its archives, among which was my written argument against any such change. When a reduction was determined upon, I sought for advantages which the law of 1867 does not afford; and the report of the Tariff Commission will show changes in classification and other alterations that would, had Congress adopted them, have gone far toward breaking the force of the proposed reduction. I accepted the decision of the Commission because I believed that the conclusions of that body were nearer correct than the opinion of any minority of it. I signed its report in good faith, and have not sought, and will not seek, to escape any of the responsibility that attaches to its conclusions. I will say further, that, while I would have preferred that the wool tariff, as fixed in 1867, had been allowed to remain, so that the wool-growers might be spared anxiety or temporary inconvenience, I am firm in the conviction that, if the schedule recommended by the Tariff Commission had been adopted, the result would, in the not remote future, have been advantageous to the sheep husbandry of this country. Added to exemption from ceaseless agitation which is promised by a reduction in duties, there were equities in that schedule which are not to be found in either the law of 1867 or that of 1883. The Tariff Commission proposed to place the combing wools from the mutton breeds on the same footing as fine wools. It further proposed to require all hairs taking the place of wools in our manufactures to pay the same duty as the wools they displace. In letters to the chairmen of the

Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives, I urged that these provisions be preserved in the bill they were to report to Congress. One change recommended by the Commission is incorporated into the new law, and will, in my opinion, prove of material advantage. I refer to the dividing point between wools that are to pay a duty of 10 cents per pound and those that are to pay 12 cents per pound. Heretofore the division has been at 32 cents value, and hereafter it is to be brought down to 30 cents value at the last port whence shipped to this country. The effect of this change will be to make a considerable amount of wools hitherto paying a duty of 10 cents per pound, and 11 per cent *ad valorem*, — averaging, say 13.3 cents, — hereafter dutiable at 12 cents per pound, — a reduction of 1.3 cents, or exactly 10 per cent. Should there be any material advance in foreign wools — and an advance will follow increased purchases for this country — the proportion coming in under the 12 cents duty will be largely increased, as many invoices are now very nearly up to the dividing price of 30 cents per pound.

IT WILL NOT MATERIALLY AFFECT PRICES.

In view of all the circumstances, therefore, I will answer the question of probable effect on future prices, by saying that, in my opinion, no serious depression will follow the law of 1883.

As the tariff of 1867, which was largely in the direction of an advance in duties, did not advance prices, but merely diminished importations, it may reasonably be inferred that the tariff of 1883, though providing for a reduction, will not operate to bring down prices any further than it may be used by buyers as a temporary argument for bearing the market. The duty of 10 cents per pound imposed by the law of 1883 will be the equivalent of more than 70 per cent *ad valorem* on mestiza wools. Taking into account the entire range of importations for two years ending June 30, 1882, the new tariff will be the equivalent of 40 per cent on wools of the first and second class valued at 32 cents or less per pound, and 31 per cent on those costing over 32 cents. One who has not examined the returns from the custom-house may be surprised to learn that for the last year less than 3½ per cent of imported wools were valued at more than 32 cents per pound; so that, when to the reduced duty are added exchanges, commissions, insurance, and freights necessary to importations, there is made up a tax against foreign competition which seems adequate for the protection of the wool-growers of the

United States. Speaking for these at the last meeting of the National Association over which he presided, and referring to the protection secured by the tariff of 1867, Dr. Randall said: —

"Regardful of the interests of the consumer, and willing to trust to our own industry and skill, we asked for equality in our markets, and nothing more. We asked for justice and not for favor, and I believe attained these precise objects, as nearly as practicable, in the provisions of the law."

It seems to me that, in view of the reduced taxes, and improved facilities for producing wool, through the heavier shearing of our flocks, this equality of domestic growers will not be seriously interfered with by the new law. This conclusion is confirmed by the fact that during the several years when, under the Act of June 6, 1872, 10 per cent of the duty was remitted, there resulted no especial increase of importations, and no appreciable effect on the price of domestic wools. The prices of our wools may go lower — the tendency is downward; but in my opinion the cause of this unwelcome condition of the market existed before a Tariff Commission was thought of, or the members of the last Congress elected.

WOOLS CHEAPENED BY RAPIDLY INCREASING PRODUCTION.

If you will turn to the census of 1870, you will find that when our population was 38,658,371 we produced 100,102,347 pounds of wool. In 1880, when our population was 51,462,000, we produced 240,281,751 pounds. In other words, domestic wool production, which in 1870 was but 2.6 pounds per capita, had increased to over 4.6 pounds per capita in 1880. Thus, while population increased 33 per cent, the home product of wool increased 144 per cent. So nearly has this come to supplying the wants of our manufactures that for the fiscal year ending June 30, 1882, but 13,489,922 pounds of wools of the first class were imported, valued at $3,042,407. Of the second class, or long combing wools, the amount imported was 2,318,671 pounds, valued at $648,252; leaving of carpet wools, 47,208,175 pounds, or 76 per cent of the 63,016,768 pounds imported.

INCREASED PRODUCTION THE RESULT OF PROTECTION.

This is the promised sequence of the tariff of 1867. In urging the passage of that law, it was argued that the stability it would impart would stimulate domestic production, and ultimately cheapen the price to consumers. It was insisted that the words of Hamilton, uttered

threescore years before, to the effect that, under such a tariff as was asked for, "temporary enhancement of price must always be well compensated by a permanent reduction of it," were still as true as when first spoken. This principle, so generally recognized by protectionists, was reiterated by Mr. Greeley, who, in his "Essays on Political Economy," in 1870, used this very 1867 tariff to illustrate the truth of his position. He said: —

"Most certainly, if either wool-growers or woollen manufacturers anticipated enhanced prices for their products because of the protection thus secured, they have been disappointed. Neither wool nor woollens now command prices so high (whether computed in paper or coin) as they did when the wool tariff of 1867 was enacted. The law, so often insisted on in these Essays, that protection inevitably tends, by stimulating home production, to a reduction of price, is here strikingly illustrated."

The wool-growers, in the first resolution of the now historical convention held in connection with the wool manufacturers at Syracuse, December, 1865, promised the country that, if allowed adequate protection, they would soon supply all the wools properly adapted to production in this country. The protection asked for was given; and so nearly have the wool-growers performed their part of the contract that in 1882 — fifteen years after the passage of the law — $3,690,059 bought the deficiency they were unable to supply. (I include in this statement the imports for that year, with the exception of carpet wools, which I assume we will never undertake to supply, as we invariably breed away from the type of sheep producing them as rapidly as possible.)

Let me say to wool-growers who feel the inconvenience of low prices for their product, and fear that the slightest reduction in the tariff will still further depress wool values, that the day so often predicted, when increased domestic production is to supply the demand of American manufacturers, has begun to dawn. But a few degrees of horizon now shuts it out. Statistics show that but 5 per cent of the clothing wools consumed in 1882 were imported; the remainder of the importations being carpet wools.

SUBSTITUTES FOR WOOL.

In addition to the increase in the domestic wool supply, another element comes in for consideration. The high character of American wools, their strength and elasticity, especially exposes them to adulteration. The use of substitutes for wool, under the more common designation of "shoddy," has now become so general that mills where

they are not employed in some form are the exception. The returns for 1880 place the amount of "shoddy and other substitutes" at 46,583,983 pounds. This means that every pound of wool grown in the United States was supplemented by one fifth its weight of some substitute. The lofts and alleys of every city are daily ransacked for cast-off woollen garments, to be worked over and brought back to its counters as cloth, to be started again on the same round as before. When it is reflected that the figures named are for wool as placed on the market, subject to shrinkage in the cleansing process, and that substitutes are marketed in condition ready for use, a more proper estimate of their relation to the wool market can be reached.

DOMESTIC COMPETITION BRINGS DOWN PRICES.

As we near the point at which there is to be produced within the United States all the clothing wools our manufacturers require, we recede from the point where a tariff has direct effect upon prices; and when we get fully to the point where demand and supply meet, — when we produce all the wools we consume (carpet wools excepted), — the question of prices will be relegated to the fields of production within our own borders. The perennial pastures of the South and Southwest, and the inviting plains between the Missouri and the mountains, will become the source of a competition against which the owners of high-priced lands cannot successfully contend in the matter of wool production as a specialty. *The cost of production will regulate prices*, and the more nature-favored localities will in time become the great wool-producing centres of the nation. To shut our eyes to these facts is folly. To cavil at the fate which decrees them is to tarnish the record of our countrymen for courage and ability to achieve every success within the realm of possibilities.

The pressure that forces the price of Pennsylvania and Ohio and similar wools down to the hard-pan of actual cost of economical production, and below that point, comes not so much from foreign competition, which last year supplied but 5 per cent of the clothing wools manufactured in the United States, as from the competition of enterprising and favorably circumstanced ranchmen, who have already swelled the home production of clothing wools to 95 per cent of the domestic demand for such wools. Against this competition a tariff, no matter how high, can afford but partial relief. The duty fixed will exclude competing foreign wools until the price of the domestic article reaches a certain limit; but below such limit there is a competition between the holders of home-grown wools, among whom exist

such unequal facilities for production and such widely differing necessities for selling, as will inevitably force prices to a minimum. Against such a result I see no relief. Combination to keep up prices is impracticable, and legal enactments will prove inadequate.

We must face these facts with fortitude, and as our brethren west of the great rivers bear still further toward sunset the sceptre of wool-producing supremacy which we, in our turn, wrested from the States east of us, let us seek compensation in such modifications of our system of husbandry as will render available to their fullest limit all possible flock products. Some of the older States have already recognized this necessity, and have adjusted themselves to it, and now find in the demand for breeding animals more than an equivalent for unsatisfactory returns on the wool clip.

Every well-appointed sheep ranch that is established on the frontier adds to the severity of competition in the wool market that now annoys the flock-owners of Vermont, New York, Ohio, and Michigan; but at the same time it widens the demand for pure-bred sheep, in the breeding of which those States have secured so high rank. Here is a field in which foreign competition can safely be defied, for the American Merino has no peer in the line of profitable wool production, and is secure in its supremacy for years to come. The inquiry for American Merinos of standard type and undoubted pedigree is steadily widening, and the future is full of promise of good prices for all really meritorious animals our flocks can supply.

NO CAUSE FOR DISCOURAGEMENT.

Though forced to partially change his system of flock management, there need come no discouragement to the farmer whose animals require an expenditure of labor and money to which the ranchman is a stranger. The advantages are not all on one side. In these older States flocks can be bred with a care, and manipulated with a regard to details, which pastoral husbandry can never rival. The requirements of frontier owners for fresh and improved blood to advance the quality and increase the yield of wool from their flocks can safely be depended upon for doing much in the direction of making amends for disadvantages under which Northern and Eastern breeders labor when wool production alone is taken into account. Good prices for stud sheep will largely atone for loss on wool-growing, leaving the balance to be secured by such attention to carcass development as will meet the ever-ready demand for good mutton. If beyond this any disadvantage confronts the flock-owner here, around which he fails to see his

way, let it be charged to that inexorable destiny which enabled Ohio and Illinois and other Valley States to wrest from the "old thirteen" the supremacy in agricultural productions upon which those States so long depended.

WOOLS CHEAP ALL OVER THE WORLD.

The low price for wools which confronts and embarrasses our people is not peculiar to the United States. Wools are not cheap in this country alone; they are cheap in all the markets of the world,—forced down by competition from localities where they can be grown at the trifling expense necessary for hiring herders and purchasing rams.

COMPARISON OF AMERICAN AND BRITISH POLICY.

While under the policy of protection the number of sheep in the United States has increased during the last decade, under the differing policy of England the number has diminished. Nothing short of the absolute necessity to her agriculture forces England's farmers to hold on to a certain number of sheep. Still, in the face of such necessity, and of the fact that the demand for meat is so great that within the present year a pound of mutton has sold for more money than could be obtained for a pound of wool from the same animal, official returns show a decline in numbers of sheep which has attracted the attention of English economists and statesmen. This failure of English farmers to supply the home demand for mutton has turned the eyes of hungry millions there toward the sheep-walks of America; and even far-off Australia is called upon to send to England's markets mutton carcasses, which can no longer be profitably produced within her own borders.

RELATION BETWEEN WOOL-GROWING AND WOOL MANUFACTURES.

There is another phase of the subject which cannot be ignored when considering the encouragement and protection of domestic wool production. That is the effect of such legislation upon woollen manufactures. The manufacturers of woollen fabrics must be prosperous, and be able to pay fair prices for wools, or the men who grow the wools cannot be prosperous; and any legislation that omits to recognize this concurrence of interest between the two branches of the wool industry must of necessity fail to bring permanent benefit to either. Side by side they have grown up under the tariff of 1867, and together they must stand or fall under any policy of the future. The wool-grower cannot find so good a market anywhere in the world as that created

by the home demand, and the manufacturer cannot compete with the mills of Europe when placed at disadvantage in procuring his raw material. Thus it is that in devising a scheme for encouraging the producer of wool, those who are to buy his wool must be afforded the opportunity to pay a fairly remunerative price, and to retain such reasonable margin for profit as will insure permanency in the market they afford. This interdependence was fully appreciated by the framers of the tariff of 1867, and their wisdom has been so fully vindicated by the experience of the intervening years, that neither the wool-growers, the manufacturers, nor Congress have attempted or desired to change the provisions of the law by which it is recognized and provided for. The historian will accord to this peculiar feature of the tariff of 1867 credit for a large measure of that popularity and success which have attended its enforcement; and intelligent wool-growers will seek its perpetuation in future laws enacted for the promotion of their interests. I do not mean to say that wool-growers should undertake to dictate the details of a schedule on woollens; nor would I advise them to accord to manufacturers all they might claim by way of protection to their business; but I would seek for and defend such arrangement as will allow the manufacturers full scope for all the capital and energy they can employ consistent with their own and the public welfare. I would not allow them a monopoly; but I would allow them every opportunity for control of the markets of this country that could be guarded against the possibility of imposition upon the sellers of wools or the buyers of woollens. In this I would follow the prompting of that selfishness which seeks to provide the safest market and to insure the most permanent prosperity to the wool-growers.

THE TARIFF ON WOOLLEN GOODS.

Though I am not here to criticise or defend the tariff on woollen goods any further than it affects the success of the tariff on wools, it would not be candid in me to encourage, by silence, erroneous impressions that have obtained through partial statements of the provisions of that schedule. The statement that the tariff on woollen manufactures has been advanced by the law of 1883 is incorrect, except in the case of a very few lines of fine dress-goods not heretofore made in this country, but the manufacture of which it was believed would be attempted if adequately encouraged. If this hope is realized the effect will be to create a demand for superfine wools of combing length, and ultimately prove highly advantageous to breeders of sheep yielding exceptionally long and fine wools. The other portions of the woollen

schedule will show a reduction in duties proportioned to, and in some instances considerably in advance of, the reduction on wools. From estimates made by an expert, at my solicitation, it is shown that, while the reduction of duties on wools averages considerably below 20 per cent, the average reduction on woollen goods is considerably above that figure. The removal of the duty on "charges"—quite a material item — is not taken into this account. In the case of Brussels and ingrain carpets, the reduction of duty on wool is 16⅔ per cent, and on the manufactured article 23 to 31 per cent, and so on through the entire list, with the few exceptions just mentioned.

OPPOSITION TO DUTIES ON WOOLS.

Wool tariffs have usually been short-lived. Opposed at their adoption, they have been exposed to a ceaseless and too often successful warfare, ending in repeal or modification. None have stood so long as that of 1867, and its perpetuation has been secured only through active and persistent efforts of its friends. The bill submitted in 1877 by Hon. Fernando Wood proposed to place the duty on wools at 35 per cent *ad valorem*, — the equivalent, at present prices, of less than 9 cents per pound duty on Australian, and less than 5 cents on the wools of Buenos Ayres, — and liable to be rendered still less effective through undervaluations. This bill came within seven votes of passing the House of Representatives, and a prominent member of Congress is authority for the statement that the opponents of the Wood bill were indebted to the wool-growers for the votes by which that measure was defeated.

LABORS OF THE NATIONAL WOOL-GROWERS' ASSOCIATION.

Scarcely a session of Congress has been held within the last ten years during which there has not been an attempt to change in some respect the wool schedule, while the Treasury Department has been persistently importuned for decisions which would, in some measure, assist importers of foreign wools in escaping the full force of its provisions. These attempts, made by shrewd men, backed by means which brought to their aid the best of talent, have entailed upon the National Wool-Growers' Association a much greater amount of labor and expense than that organization has commonly been credited with bestowing. Arguments have been prepared, and correspondence carried on, which involved research and labor; journeys have been made, requiring an expenditure of time and money; all supplemented by a vigilance which found little time for respite. In view of these facts,

the candid critic of the National Wool-Growers' Association, in its relation to the wool tariff during the past decade, will mingle with his regrets at changes just now made wonder that a reduction has been so long averted; and I have faith that men who have themselves neglected much they might have done, will be required to stop long enough from their censure of those upon whom they depended to return thanks for what has been, through their efforts, so long saved to the wool-growers of the country.

THE OUTLOOK.

With somewhat more than average opportunity for observation, and the best of reasons for reaching a correct conclusion, I am unable to see any serious discouragement in the outlook for flock-owners. The condition of sheep husbandry, when contemplated from a national standpoint, was never more satisfactory than now. Local embarrassments may ensue as the great system adjusts itself to the wider fields that await its future; but these, in the nature of things, will be but temporary. With ability to supply wools adequate to the demands of a rapidly growing population comes a general prosperity which enables that population to largely increase its per capita consumption. With a foreign demand for meat that insures ready sale for every carcass of mutton to be spared from the home market, and multiplying factories as buyers for every pound of home-grown wool, there will come rewards for every man who makes himself worthy of them.

Realizing this, I have faith that the sagacity and courage and perseverance which have hitherto brought flock-owners so many triumphs will not fail them as new obstacles are encountered; and that the record they are to make in the future will be as brilliant as any that history gives of the past, or that remains to be written of the achievements of the present.

COMMENTS

OF

HON. JUSTIN S. MORRILL UPON THE TARIFF REVISION.

THE action of Senator Morrill, as Chairman of the Senate Finance Committee, in the late tariff revision, and especially in relation to the tariff on wool, having been the subject of unfriendly criticism, particularly in Ohio, the Senator reluctantly consented to an "interview" for the explanation of his course, which was published in the New York "Tribune" of April 30. In answer to the question, "How are our people accepting the revision of the tariff?" Senator Morrill replies: —

"The final passage of the measure for the reduction of taxation and the revision of the tariff appears to give great satisfaction in all parts of the country. Public opinion overwhelmingly indicates its approval. The great industrial and commercial interests no longer dread a season of doubt and idleness, but are getting ready to start with the hope of a fair day's pay for a fair day's work, when the act goes into operation and old stocks are out of the way. The measure was a financial and political necessity. The authorization of the Tariff Commission to examine and report upon the subject was itself an acknowledgment that early action was important. The Commission had reported, and its report was received with general favor, until partisan necessities bred something of hostile and unscrupulous criticisms. Not that the work was entirely faultless, but it was very excellent work for the time allowed. If anything could be done, obviously it had to be done upon the basis of this report, and it was so done. Some of the changes made are important but the great bulk of the report was adopted.

REPUBLICAN RESPONSIBILITY.

"The Republicans, with a nominal majority in the House of Representatives, and one half of the Senate, could not escape, and did not seek to

escape, any just responsibility of the situation ; and any postponement of their action would have stamped the party with insincerity, if not with imbecility. Too much money flowing into the Treasury was an evil scarcely less than would have been too little. It depleted every man's pocket, while at the same time it engendered a too lavish expenditure. The surrender of laws heretofore yielding seventy-five millions of revenue was beyond dispute a great measure, and of course excites astonishment abroad that it was attempted with so little of official flourish. It was the work of Congress and not 'cut and dried' by a Cabinet premier."

"You do not, of course, mean to say that the Democrats are satisfied?"

"Why, no; they must either accept the law as a finality, or present their free-trade programme; and whichever way they turn they are likely to be sorry that they did not turn the other way."

Omitting his observations on portions of the revision relating to other industries than our own, we give below Senator Morrill's comments on

THE DUTY ON WOOL AND WOOLLENS.

"Senator Sherman appears to complain that the reduction of the duty on wools is greater than that upon woollens. I think this is an error, and that the general reduction on woollens is a larger percentage, and tenfold greater in the aggregate. The specific duty of 10 and 12 cents per pound is the only trustworthy protection the wool-grower ever had, or can have, and that is still to remain the same; while the highest rate of 12 cents per pound will hereafter apply to wools valued at over 30 cents instead of over 32 cents per pound. The former additional *ad valorem* rate of 11 and 10 per cent was abandoned on the recommendation of the Tariff Commission, whose report Senator Sherman pronounces, and most properly, 'admirable;' and the President of that Commission, Mr. Hayes, has long been the efficient and consistent advocate of duties upon wools, as well as upon woollens, while Mr. Garland, of Illinois, the President of the Wool-Growers' Association, was also a member of the Commission, who could not fail to look after wool intelligently, and he concurred in their report. That it had received just and proper consideration was never questioned until the bill had been in the Senate for weeks. The Senator is evidently mistaken in his calculation, and forgets that the duties upon all inland charges and commissions on woollen goods, a very material item, have been removed, while wool suffers no such reduction, as such charges on wool have never been dutiable. The schedule of the Tariff Commission, not being precisely like the old law, makes an accurate comparison a work of some difficulty, but I have a large number of examples furnished to me by experts in the trade, which show in almost every instance that the reductions are much greater upon woollens than

upon wool. I would give you these at length if they were not so bulky. Any tariff on wool would be of no value whatever unless followed by an ample duty on woollens. The specific duty which remains on wool of 10 or 12 cents a pound applies wholly to unwashed wool, which, if washed, is doubled, and if scoured, trebled. With the duty of 10 cents on unwashed Cape and Buenos Ayres wools, costing from 12 cents to 15 cents per pound, the average rate will be from 67 to over 75 per cent. These are the wools which would compete with the wools of Texas and California.

DUTIES ALMOST PROHIBITORY.

"The fact is, the duties upon No. 1 clothing wools have been almost prohibitory, and the change made will practically hardly be perceptible. If a less price should follow, it will arise from a larger importation of wool in the form of manufactures, or from increasing home competition among wool-growers, that is to say, from the constant increase of production under a protective tariff, such as that exhibited from 1860 to 1880, or an increase from 60,000,000 pounds to 240,000,000 pounds. The value of all the wools imported, not including carpet wools, was only about $3,000,000, but the value of imported woollen manufactures, not including carpets, was not less than $35,000,000.

"In a review of the wool trade, the Boston 'Herald' had the following paragraph: —

'If the tariff bill passes, which has already gone through the Senate, the condition will be so much the worse, since the wools of light shrinkage are so discriminated against in that bill that they cannot be imported at a profit. The tariff bill cannot have any other effect than that of increasing the cost of fine wools to the manufacturers in this country.'

THE GREAT ERROR OF PROTECTIONISTS.

"The great error of those who favor a protective tariff is that they sometimes ask too much, and, if that is granted, they have to meet not only too much home competition, but also well-grounded opposition, because the rates are excessive. The same rate of increase in the production of American wool that we have had in the past will before another decade much more than supply the domestic demand, and the excess must then find a market abroad. The present compound duties on clothing wools are equal to a rate of over 55 per cent *ad valorem*; and the law which goes into effect on July 1 will still leave the rate at over 44 per cent. Very few domestic productions have as much, — this being above the average of all dutiable articles, — and I do not think any discreet friend of sheep husbandry would make himself conspicuous by asking for more, and thereby run the risk of losing all. All Republicans now willingly concede (what for more than twenty-five years I have contended for) a very liberal protection for wool; but the 2 cents more proposed in

the Senate, being unreasonable, was voted down by forty nays to twenty yeas. No conference committee could have been justified in wholly disregarding a vote so decisive as that.

"The leader of the Democratic party in the Senate, Senator Bayard, proposed to put an *ad valorem* on all wools of 25 per cent only, and was very largely supported by his party. Any tariff duty on wool is everywhere denounced by free-traders. In the house an equally radical proposition had been foreshadowed. One of the candidates for Speaker of the coming Democratic House proposes to have wool placed on the free-list. If he did not think free wool would have strength with a majority of Democratic members, he would have hardly made this bid so prominent and so early. Where lands are high-priced, sheep-husbandry affords very small profits. The greatly improved breeds of merino sheep, however, hold out some encouragement, and at the recent sheep-shearing at Middlebury, Vt., some unwashed fleeces of the best stock reached the astonishing weight of thirty-eight pounds. In Ohio the total clip of wool in 1860 was about 10,000,000 pounds, but in 1880, with only about 1,000,000 increase in the number of sheep, the production of wool had risen to 25,000,000 pounds. In 1850 there were over 1,000,000 sheep in Vermont, producing less than 3,500,000 pounds of wool, but in 1880, with less than 500,000 sheep, the amount of wool exceeded 2,500,000 pounds. In the same time the weight of the fleece in Ohio had doubled.

PRESENT CONDITION OF THE WOOL MARKET.

"The last year's clip of wool is nearly all sold, and there is an unusually small stock of clothing wools in the country. Medium and fine wools are firm, notwithstanding the unusual stringency in the money market for the past two months; and since the passage of the new tariff law, No. 1 Ohio wools have been selling in the Boston market at 45 to 45½ cents, and X and XX at 42 to 43 cents. Of course there is always a sharp struggle in the spring season between buyers and sellers about fixing the price of the new clip. Instead of there being a 'boom' for starting new woollen mills all over the country, as Senator Sherman would seem to expect, woollen goods are very dull and have been moving very slowly; the manufacturers are only buying wool very sparingly, — only from hand to mouth, — and the present prospect for them is by no means brilliant. It is stated that four thousand pieces of all-wool fancy cassimeres and large line of imported worsteds, Italian cloths, and serges, at a recent auction sale in New York were sold at about one third off from regular prices. These facts would seem effectually to dispose of any charge that better care has been taken of woollens than of wool.

"But Senator Sherman complains that the duties on woollens were raised in the Conference Committee. So they were on pig and bar iron. In relation to woollens, it is true that in one single instance they were raised and that in a very limited sense, on cloaks, dolmans, ulsters, jack-

ets, and other outside garments for ladies' and children's apparel, which, if left with no more than the duties on uncut cloth, would have opened the door for a flood of such imported garments, equally adverse to the interests of wool-growers as of manufacturers. This amendment to the bill of the Tariff Commission still leaves a considerable reduction of the existing duty, and would not have been required, as we have the assurance of the Chairman of the Commission, but for a misprint in their report. If no remedy had been applied, sixty thousand persons in the city of New York alone would have been thrown out of employment, and France and Germany would have had an unusual harvest.

"The only other change made, of any importance, about woollens was made in the Senate upon ladies' fine and costly merino dress goods. Fashion has changed, and in prior laws such goods were not described. They are now all or nearly all imported. If they should be made here, it would furnish a large additional market for American fine wools, and benefit wool-growers fully as much as manufacturers. This was consented to even by Democratic leaders. The statement is also made that additional duties in the Conference Committee were put on both cotton and woollen goods of certain grades, far in advance of existing law. The general reduction of cotton goods was very heavy; but it is true that in the Senate, not in the Conference Committee, the duty on the best and most expensive hosiery, and on laces, window-curtains, and embroideries, was increased 5 per cent, and only a proviso was inserted in the Conference Committee by which a special class of cotton cloth should be subject to a duty of 40 per cent, which is the same or a little less than the existing law. This is not much above the rate fixed on pig-iron, and can hardly be charged as a local favor. Cotton mills abound in almost every State, and yet they do not use more than one third of the raw cotton our country produces. Is there any harm in giving a very trifling encouragement to some of our mills to step up higher and to bring out the highest classes of cotton goods, while at the same time using more and more of the great staple product of the South?"

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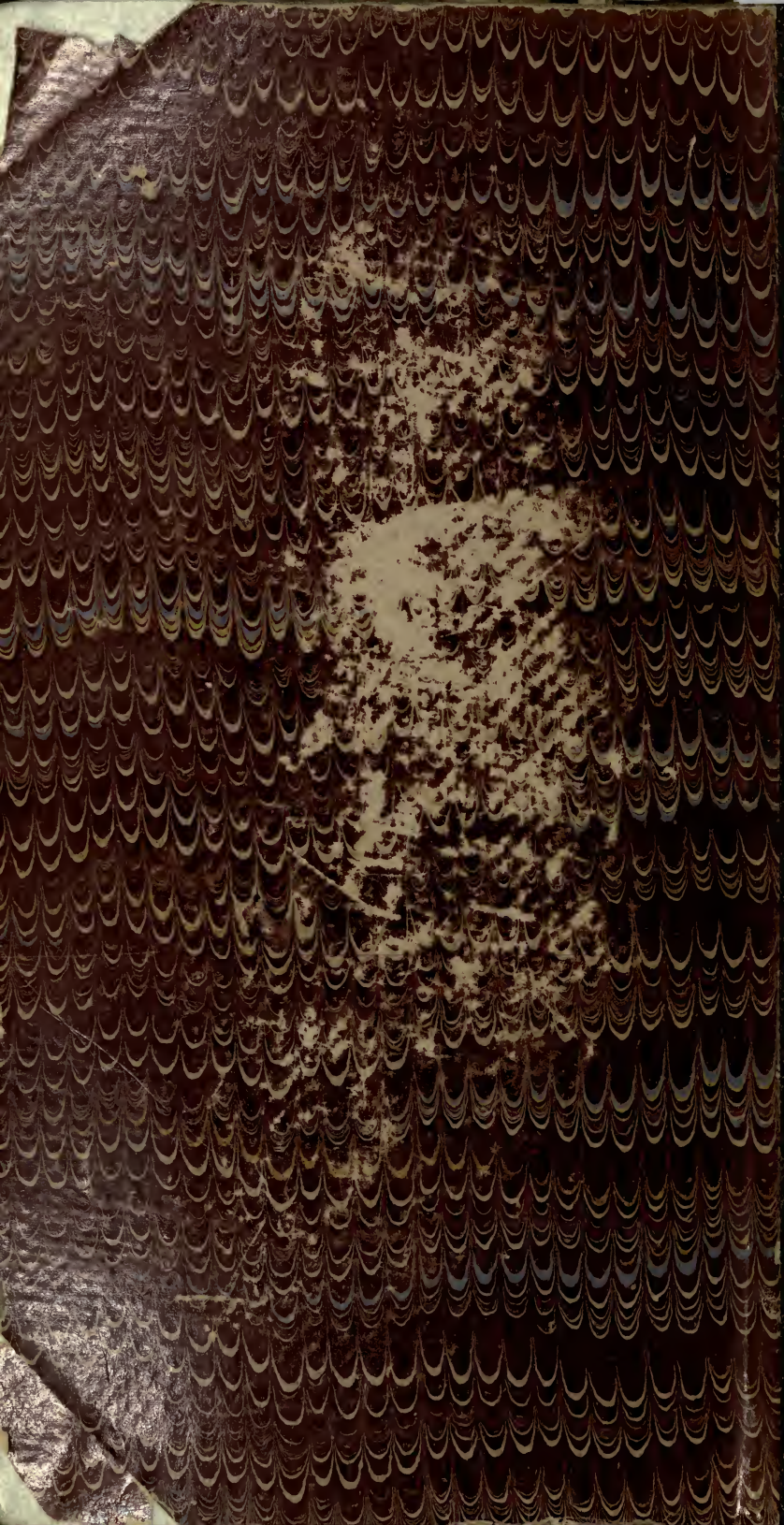
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